Canada's Weekly Newsmagazine

Maclean's

May 17, 1999



KOSOVARS
A warm welcome



SPACE
Julie Payette's shuttle mission

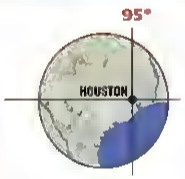
Referendum on a Revolution

Mike Harris's tough policies have polarized Ontario. Now, he faces a firestorm of opposition as he fights for re-election.

By Robert Sheppard

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18 Referendum on a revolution

Ontario Premier Mike Harris, the self-styled "tax-cut guy," is taking his case to the voters after four years of shaking up Canada's largest province. Across the country, other politicians getting ready to test the political waters are watching his progress with a combination of fascination and dread.

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The first of 5,000 Kosovo Albanian refugees arrived in Canada as part of a global airlift, bringing tales of horror and brutality—and a determination to go back.



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The accomplished Montrealer joins the roll of Canadian space travellers next week when her shuttle crew soars to the International Space Station on a construction mission.

From the

Editor



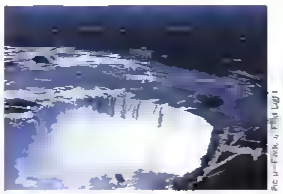
Should provinces sell off their water?

When he went to Michigan State University last week to receive an honorary law degree, Prime Minister Jean Chrétien boasted: "We have one of the toughest gun-control laws in the world, and Canadians want to keep it that way." Chrétien added that he "may be a big supporter of free trade, but believe me, the National Rifle Association is one export Canada will never buy."

Chrétien did not mention another potential export—this one from Canada—that is quietly creeping onto the bilateral agenda: the sale of fresh water. Canada has fully 20 per cent of the world's supply. And, it seems, the world wants at it. Demands are increasing for commercial bulk shipments to the dry U.S. Sunbelt and other parts of the globe.

The advocates insist that fresh water can do for Canada what oil has done for wealthy OPEC states: create wealth and jobs. All of that talk has stirred up the nationalists. From the other side of the great water divide, Maude Barlow, chairwoman of the nationalist Council of Canadians, denounces the proliferation of plans for commercial bulk export. "Water is a public trust," she says. "It belongs to the people. No one has the right to appropriate it or profit from it at someone else's expense."

The debate has put the federal government on the hot seat. The key issue: does allowing just one company to export water turn it into a commodity that, under free trade, becomes as vul-



Niagara Falls, an ideal election issue

nerable to aggressive U.S. trade policies as lumber, steel and magazines?

Ottawa insists that water exports cannot be required under the North American Free Trade Agreement. But clearly the feds are not entirely sure of their position. Why else would they take steps, as they did in February, to prohibit bulk water exports?

That move came in response to several commercial proposals. Sun Belt Water Inc. of Santa Barbara, Calif., had planned to export B.C. water to the Golden State—until the provincial government banned all bulk exports. Sun Belt is now claiming compensation under NAFTA. Ontario also has reversed a permit to Nova Group of Sault Ste. Marie to ship water from Lake Superior to Asia. Quebec is studying the matter. In Newfoundland, Premier Brian Tobin is dithering in the face of a job-promoting export scheme (page 26).

The time is ripe for a national debate on the issue, before Canada's response on water exports is shaped, like so many of our policies, in Washington or Geneva. And there is an ideal place to start—the elections that have just been called in Ontario and New Brunswick, where water is a way of life.

Robert Lewis

Newsroom

Notes

Election fever

As many as five provinces could hold elections this spring, beginning with Ontario, which goes to the polls on June 3. The Ontario campaign, however, is less a competition among political alternatives than it is a referendum on Conservative Premier Mike Harris and his controversial Common Sense Revolution. Perhaps the most radical government in Canada today, the Harris administration leads the nation in cutting taxes, frequently at the expense of services. It has attacked welfare spending, closed hospitals, fired nurses, battled teachers, chopped school programs, antagonized parents and infuriated environmentalists, among others. In this angry, confrontational setting, opinion polls are next to useless. Four surveys in the two weeks before the election call put the Liberals in the lead—by as many as 12 percentage points—while three others favoured the Harris Tories—by up to 10 points. "In 20 years of covering elections, I've never seen this kind of discrepancy," says Senior Writer Robert Sheppard who wrote the cover package, which was edited by Assistant Managing Editor Peeter Kopvillem (page 18). "In recent years," Sheppard adds, "political polling has become a pretty exact science." But not this year in Ontario.



Kopvillem (left), Sheppard



The Mail



Rick T. Wilking/Reuters

Grief at Columbine High: a soulless act

Society's children

Once again, tragedy has struck the lives of our young people ("The lessons of Littleton," Cover, May 3; "Tragedy in Taber," Canada, May 10). We discuss the topic ad nauseum, but I fear we are unwilling to come to grips with the answers. Here in Canada, government makes it increasingly difficult for single-income families to exist. Leaders speak in derogatory tones about women being "barefoot and pregnant," as if motherhood is some sort of disease. Feminists rail against anyone who might suggest that the mother-child bond is crucial, fearing that women might actually feel inclined to stay at home. The movie industry continues to crank out the most crass, vile garbage, and recording artists spew out their lyrics of death, destruction and suicide unimpeded, with no thought of how they might affect people. Corporations exploit the children of other nations so our kids can spend exorbitant amounts of money just to wear their labels. Finally, the politicians and the media who now so sombrely invoke the "prayers of the nation" are the very same people who ridicule anyone who dares to suggest that faith in God is an important part of one's life. If morality is relative, if all things are available because we have the *right* to see or do what we want, if God doesn't exist and parenthood is meaningless, then we should not be surprised when young people commit such soulless acts.

Susan Virtue, Toronto

In media reports, the stories of Littleton, Colo., and Taber, Alta., are followed, in the breadth of a heartbeat, by an update on the latest movement of weapons and forces to the Balkans. Where do young people get the idea that the most effective solution to their problems is an irrevocable act of violence? I wonder.

D. M. Jackson, Armstrong, B.C.

Respected journalists seem to be engaging in a sort of magical thinking in which if some inanimate objects (i.e., guns) are eliminated, violence in our society will end. Did anyone notice that those twisted students in Denver employed quite an arsenal of bombs? Guns are just one potential tool for violence, not the cause. If we really care about our public safety, we had better face up to the fact that the problem is the emotional health of our citizens. The fevered gun-control rhetoric is a red herring. In recent years, we have cut the funding to police, education, health care and social services, while at the same time spending more than $300 million on gun control. How much safer might we all be if that money was spent on community policing, violence intervention in the schools, shelters for abused spouses and mental health. It's time to wake up and stop the fear-mongering.

R. Bruce Morrison, De Winton, Alta.

Bob Levin's "Casualties of the right to bear arms" (Column, May 3) hit a chord with me. Family friends, born in Canada and employed in the United States, one day faced one of those life-altering events that forces us to look way deep inside and examine our value system. An apartment building right next to them in New York City was bombed. Our friends just went on with their lives for some days, until they began questioning how they could have become so numb to such a horror. Fortunately, they woke up, made mammoth career decisions, and moved to the peaceful lifestyle of Southbury, Conn. They never forgot, however, how close they were to being anesthetized to that horror. My wish for the millennium? That none of us ever becomes so desensitized to the horrors of one child dying senselessly that we simply say: "Hmm, too bad; well, I guess that's life."

Linda A. Radcliffe, Winnipeg

Dubious immigrant

Hats off for providing an insight into another example of the ineptness of our immigration system, with the revelations about Yugoslav President Slobodan Milosevic crony Bogoljub Karic, who wants Canadian citizenship ("Knocking on the door," World, May 3). The article also pointed out shortcomings in the judiciary system, as evidenced by Judge Walter Borosa's remark at his original hearing that Karic was just the kind of immigrant Canada was looking for. In all fairness, one must give the judge some credit for at least reading *Maclean's* and reversing his decision.

Willard H. Ellis, Kitchener, Ont.

Caltech of the North

President Martha Piper's goal of making the University of British Columbia a "high-end research oriented

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institution," as reported by Peter C. Newman ("Turning UBC into a Berkeley or Caltech," The Nation's Business, April 26), is exciting, enlightened and probably destined to fail. Research at U.S. institutions such as Harvard, Caltech and Stanford is supported largely by deep-pocketed federal civilian and military funding agencies, any one of which could buy and sell the underfunded Natural Sciences and Engineering Research Council of Canada several times over. Added to those external resources are the private endowments of these schools, some of which are larger than the GDP of many small and medium-sized countries. So where should UBC and other Canadian universities go for the required long-term investment? Certainly not private industry, as seems to be Piper's direction. The financial cycle for industry is, at most, 12 months long. The time required for building a world-class research institution is considerably longer. No, I would suggest that if Canadian taxpayers want a Caltech, they will have to pay for it.

W. Grant McGimpsey, professor, department of chemistry and biochemistry, Worcester Polytechnic Institute, Worcester, Mass.

Taxing disagreement

In her attack on taxes, Diane Francis exposes the shallowness of her right-wing rhetoric ("It's high time to cut the fat—and taxes," Column, May 3). She compares our per capita government spending on health care with that of the Americans, but ignores key factors. Their private-enterprise medical system puts much government money into hospital owners' pockets, not medical care. And Francis leaves out the fact that ordinary Americans must pay huge amounts for health care above and beyond government spending, rendering her comparison meaningless. Putting her best right foot forward, Francis asserts that "the business of Canada is business." Wrong. The business of Canada is allowing all citizens the chance to have a happy, peaceful and fulfilling life.

Val Patrick, Stoney Creek, Ont.

Diane Francis's column couldn't have been more correct. The lie from the left that tax cuts will destroy our precious social safety net is nothing more than a scare tactic designed to frighten people into voting for the Liberals. There is a serious problem with our system of taxation when it penalizes those who work. Conservatives today want to give people real value for their tax dollars and open up real opportunities for people to better themselves—not the fake kind Liberals peddle when they throw money at problems so that they can add to the power they have over other people.

Ray Ferris, St. Williams, Ont.

Charles Gordon is right ("The myth of Canada's 'tax hell,' " Another View, April 26). Tax hell is all relative. My tax rate here in New York City totals 34 per cent. That doesn't count my union dues that pay for my health-care plan, which pays only 80 per cent of my bills. A routine physical exam costs me almost $300 out of pocket and that's assuming I've met my yearly deductible. Then, there's education. Tuition at a basic state college is going to cost about $20,000 a year, about $100,000 at a top school. I'm sure my actual tax rate is the same as I would pay in Canada if I figure in the hidden costs. Don't get me wrong, I'm happy I came to the United States. But I would rather pay more taxes here if I could eliminate the profit motive in health care and education. You're only better off in the United States if you're going to make significantly more money than in Canada.

Shawn Rosvold, Brooklyn, N.Y.

Charles Gordon does not understand, in my opinion, the relationship between tax policy and wealth creation. Federal and provincial governments should do all in their power to increase the wealth of the nation as this will increase the tax base upon which to levy reasonable taxes and help provide for Canada's cherished social programs. A country's wealth or ability to create wealth comes in a number of forms that include an environment whereby motivated individuals will receive ample after-tax compensation from hard work and risk-taking. Their success will increase the tax base of the country. Unfortunately, in Canada, taxes are punitive, which has contributed to the reduction in the country's ability to create wealth. Visible evidence of this is seen in our declining standard of living.

Nicholas LeMoine, Vancouver

Full-bodied error

The Maritime Beer Company is a new craft brewery and we are extremely proud of the brands that we brew and sell in the Maritimes. In "A nation and its beer" (Special Report, May 3), *Maclean's* incorrectly identified our Black Pearl brand as the product of another brewer (another high-quality craft brewer and our friend, Granite Brewery). While it was an honour to have Black Pearl included in "A case of the best," we were disappointed in this misidentification.

Harold H. MacKay, President and CEO, Maritime Beer Company, Dartmouth, N.S.

Inuit survivor's art

I object to Inuit art promoter James Houston making personal remarks about my father, sculptor Andy Miki ("Northern grace," Art, April 12). It is true Miki was one of the survivors of the famine that spread across the Keewatin in the 1950s. He also survived many relocations of the Ahiarmiut by the federal government, from their ancestral homeland to the Hudson Bay coast. Miki was a quiet man, a good family man and a good father. My father's carvings cannot be appreciated at one glance and neither can his persona be understood on the basis of little contact. Curator Maria von Finckenstein's comparison of Miki's work to a Romanian modernist raises some questions. How long will Inuit artists and their art suffer at the claws of Western comparative thought? Why this insatiable need for Western culture to compare everything with its own standards and achievements?

David Serkoak, Iqaluit, Nunavut

Maclean's
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Editorial Update

Maclean's columnists: intelligent, insightful analysis

Although the topics they cover are often miles apart, Maclean's award-winning columnists share a passionate interest in their subjects.

When it comes to the rapidly changing worlds of business and technology, readers can rely on Maclean's Senior Business Correspondent Ross Laver to cut through the jargon and hyperbole that often surround the latest financial or high-tech fad, trend or personality.

The magazine's business editor from 1995 to 1998, Laver draws on his experience and contacts to deliver relevant and dependable information about a myriad of business- and technology-related subjects. In his regular reporting and biweekly column, he seeks to inform his audience and make sense of today's important business trends. "The Internet and globalization are two of the most powerful forces in the business world today," Laver says. "Together, they are forcing Canadian companies to rethink their operations from the ground up. So much is changing so quickly that it is impossible to say how it will all play out."

Most recently, Laver has used his columns to introduce Maclean's readers to a new breed of entrepreneurs, individuals who "have a strong vision of the future, and who are not intimidated by change but take full advantage of it." Also, Laver has been tracking the "North Americanization" of our country, which sees numerous Canadian companies seeking to forge alliances with strong American partners or set up operations south of the border.

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Newsstand Notes



Designed with subscribers in mind, the Maclean's new Web site (www.macleans.ca) offers full access to all of the news, stories and profiles featured in the current issue of the magazine, available on the Sunday before the printed magazine hits newsstands. As well, Maclean's subscribers have access to a searchable archive of issues from the past six months—perfect for school assignments or business needs—and can review the status of their subscriptions. Non-subscribers are invited to scan highlights of all the stories featured in the current issue of Maclean's, plus check out special sections on film, music, technology, personal finance, education and health.

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Opening

Notes

Edited by Tanya Davies



Phil Snel/Maclean's



Henry de la Mauviniere/AP

Egoyan in Cannes in 1997; Cronenberg with one of his movie inventions (left); judging is 'a highly political decision'

It's CanCon time at Cannes

Cannes. Some people pronounce it "can," and some pronounce it "con," but either way this is the year of CanCon at the Cannes International Film Festival (May 12 to 23). This week, director David Cronenberg becomes the first Canadian in the 52-year history of the festival to preside over the jury. And among the 22 directors from around the world with features in the main competition, fellow Canadian Atom Egoyan is a top contender with his entry *Felicia's Journey*, which premières on May 17. After *Exotica* and *The Sweet Hereafter*, he is also the first Canadian to be honoured with three films in competition at Cannes. Egoyan and Cronenberg, both based in Toronto, are pals—and strongly supportive of each other's work. So how does a jury president remain impartial when judging a friend's movie? "Well, I have to assume that everybody on the jury will have friends and colleagues, and enemies," says Cronenberg. "I'm going to have to get everyone to strip these things away and somehow get close to a pure vision of the movie. As much as I love Atom, I would have to do the same." When Cronenberg's *Crash* competed at Cannes in 1996, Egoyan was on the jury headed by filmmaker Francis Ford Coppola. And he was instrumental in a decision that awarded the controversial film a special prize for daring and innovation. Egoyan says Cronenberg will discover on the jury that "it's a highly political decision that has to be made, but one's friendships and personal affiliations have shockingly little to do with it." Adds Egoyan, "We had to deal with someone on the jury who felt that *Crash* would create copycat occurrences, that people were going to drive into each other and want to have sex." *Felicia's Journey*, a thriller starring Bob Hoskins, seems unlikely to cause such heated debates. Meanwhile, another Canadian feature will première in the Director's Fortnight program—*The Five Senses*, which Egoyan's colleague Camelia Frieberg co-produced with director Jeremy Podeswa. In the world of Cannes CanCon, six degrees of Atom Egoyan seems to be the game du jour.



Elaine Cassidy and Hoskins in Felicia's Journey *contender*

Explorer

In from the cold

Even with the end of the Cold War, paranoia apparently still runs deep in the U.S. National Security Agency. Not content with global eavesdropping, the NSA folks have turned their attentions to last year's hottest toy, Furby. The spymasters have concluded that the talking furball is a threat to national security and have banned the toy from their Fort Meade, Md., headquarters. Although Furby's manufacturer, Tiger Electronics, denies it, NSA says the toy contains a recording device that will allow it to poach secrets. Which raises the questions: what kind of spy would have such a toy, and what kind of spy would bring it to work?

Sit-ups at 30,000 feet

Introduced 30 years ago, Boeing's 420-seat 747 is still the world's largest passenger jet—but not for long. Airbus Industrie of Toulouse, France, recently announced it is going ahead with plans to build a giant two-decker plane that would hold 550 passengers. The airliner, which could cost $15 billion to get off the ground, would dwarf the 747 with *two* full-length, wide-body cabins. Airbus even foresees gyms or theatres added to the second deck to help pass the hours. Though the company has not given a firm date when the A3XX would be ready to fly, officials say it would probably be in 2005.

Boeing, which has had the jumbo market all to itself, says such huge planes would not sell well enough to cover the development costs (still, the company says it is studying the possibility of producing a larger version of the 747). Boeing thinks the market is shifting from jumbos to smaller planes such as its 767 and 777 that are easier to fill. And for those who have ever waited at the back of a 747 to disembark, easier to empty.

The end of grey

Soon, Mac users won't be the only people who get to have lime-green computers. The iMac from Apple has made a popular fashion statement with its translucent, snazzy-coloured boxes—and PC users are obviously feeling deprived. Now, California-based A-Top Technology, which makes cases for PCs, will start producing them in five tones: lime, strawberry, grape, orange and dark green. Visitors to the company's Web site can vote for the colour they like best and the winning shade—dark green is ahead so far—will be first out of the factory in June.

Does it come in spearmint?

We've come a long way from punch cards. Sony has introduced an eight-megabyte storage device the size of a stick of chewing gum. The so-called Memory Stick, which also comes in four- and 16-MB versions with a 32-MB model to follow, is not a replacement for disk drives but a way to temporarily store information or digital images. The stick, which weighs about 30 g, uses a chip to store the data and has a lock that prevents accidental erasure. It will become the storage of choice for Sony's digital cameras and camcorders, and the company sees the day when it will be used to record music for portable stereos. The eight-MB stick has a suggested retail price of $70.



Digital camera and Memory Stick: data, then music

Passages

Announced: By the Supreme Court of Canada, that it will hear an appeal of **Robert Latimer**'s conviction and life sentence for the 1993 murder of his severely disabled daughter, **Tracy**. The Wilkie, Sask., farmer admitted killing the 12-year-old by putting her in the cab of his pickup truck and piping in deadly exhaust fumes, but maintains that it was a mercy killing. he did it out of love to end her suffering. The court will likely hear the case next winter.



Chris Wattie/Reuters/CP Photos

Elected: **Ken Georgetti**, 47, as president of the Canadian Labour Congress, in Toronto. Georgetti, who succeeds **Bob White** in the top position, was leader of the B.C. Federation of Labour for 12 years.

Resigned: Federal Court of Canada Chief Justice **Julius Isaac**, 70, in Ottawa. Isaac was rebuked by the Supreme Court in 1997 after he secretly met with war crimes prosecutors to discuss the government efforts to deport three alleged Nazi collaborators. Defence lawyers argued the meeting compromised judicial impartiality. The Supreme Court eventually ruled Isaac was wrong to agree to the private discussion, but hadn't done any harm.

Died: Former defence minister **Douglas Harkness**, 96, in Calgary. Harkness resigned from the Diefenbaker cabinet in 1963 over the prime minister's refusal to station American nuclear weapons on Canadian bases.

Died: Veteran NHL defenceman **Steve Chiasson**, 32, in a car accident, near Raleigh, N.C. Chiasson was returning to his home after his team, the Carolina Hurricanes, lost their playoff series.

Died: British actor **Oliver Reed**, 61, of a heart attack, while on location in Malta. Reed starred in 53 films, but his acting was overshadowed by the drunken binges that made him a tabloid legend.



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POSITION LAST WEEK

Fiction

1. **AN EQUAL MUSIC,** Vikram Seth (2) — 7
2. **THE LOVE OF A GOOD WOMAN,** Alice Munro (34) — 5
3. **EAST OF THE MOUNTAINS,** David Guterson (1)
4. **SINGLE & SINGLE,** John le Carré (3) — 1
5. **THE TESTAMENT** John Grisham (14) — 10
6. **THE GIRL WHO LOVED TOM GORDON,** Stephen King (3) — 9
7. **THE GROUND BENEATH HER FEET** Salman Rushdie (3) — 2
8. **THE POISONWOOD BIBLE,** Barbara Kingsolver (10) — 3
9. **VITTORIO THE VAMPIRE,** Anne Rice (7) — 8
10. **CLOSE RANGE,** Annie Proulx (1)

Nonfiction

1. **BELLA TUSCANY,** Frances Mayes (4) — 1
2. **THE PROFESSOR AND THE MADMAN,** Simon Winchester (25) — 5
3. **NOTES FROM A BIG COUNTRY,** Bill Bryson (11) — 8
4. **THE ENDURANCE,** Caroline Alexander (15) — 2
5. **LIFE STRATEGIES,** Phillip McGraw (1)
6. **FIRE UNTO ICE,** Vernon Frolick (2) — 6
7. **ELEGY FOR IRIS,** John Bayley (12) — 7
8. **THE WHOLE WOMAN** Germaine Greer (1)
9. **BUSINESS @ THE SPEED OF THOUGHT,** Bill Gates (6) — 4
10. **DEEP PLAY,** Diane Ackerman (1)

() Weeks on list

Compiled by Brian Bethune

On liberty



Classic liberal free-speech theory—the right to offend—is far from dead. Alan Borovoy's *The New Anti-Liberals* (Canadian Scholars' Press) reflects his 30 years in the anti-censorship trenches as general counsel of the Canadian Civil Liberties Association. It's an attack, made more in anger than sorrow, on his former allies in the fight against entrenched privilege. Borovoy argues that disadvantaged groups—women, minorities, the disabled—while once victims of official discrimination, often now seek privileges of their own. For the CCLA leader, that change in goals from liberty based on individual rights to equality based on collective rights is profoundly harmful. He passionately defends the liberal values of free speech and non-discrimination and says "the anti-liberals of the equality-seeking left" should be resisted as fiercely as right-wing opponents.

Opening Notes

Double Take

Elfi Schlegel's balancing act



Hy et Thompson for Maclean's

Schlegel now, and in 1979 (below) spirited

The nickname "Elf" was inevitable for Canadian gymnast Elfi Schlegel, who was only 10 years old and four feet, six inches tall when she began her meteoric rise through the ranks of world-class gymnastics. The Toronto native started gymnastics classes when she was 7, and while her parents tried to interest her in other activities, "I would always sneak into a gymnastics class and start stretching with the other kids." It was this spirit that made Schlegel a natural crowd-pleaser wherever she went. When Schlegel won the individual gold medal at the 1978 Commonwealth Games in Edmonton, she became an overnight star. A team gold at the Pan-American Games a year later and a bronze medal at the World Cup in 1980 sealed her fame.

But Schlegel never had a chance to be an Olympic sensation like her idol, Nadia Comaneci, who won three golds for Romania at the Montreal Games in 1976. At age 12, too young to compete, Schlegel could only watch Comaneci from the sidelines. In 1980, she lost her chance when Canada joined the U.S.-led boycott of the Moscow Olympics. And when she tried out for the Canadian team going to the 1984 Los Angeles Olympic Games, she was deemed too old by officials. Still, now at 34, with her own gymnastics centre in Oakville, Ont., Schlegel says: "I *am* the big name in Canadian gymnastics. When mothers come in with their kids, they say, 'You're the only name I knew.' " And she adds that for a sport that typically has a short career span, "I lasted quite some time."



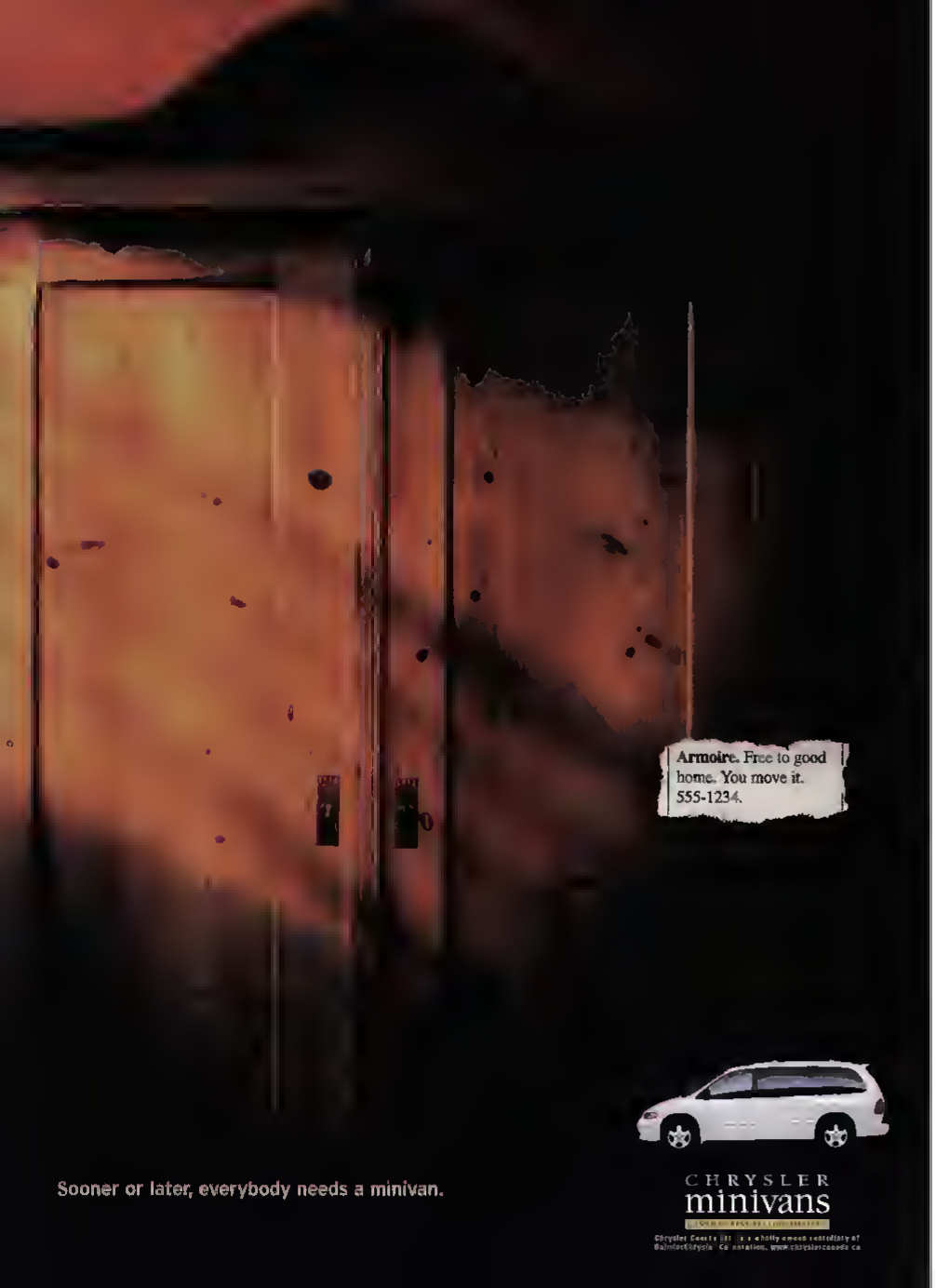
CP/AP Photo

In fact, Schlegel never really left gymnastics. In 1982, she attended the University of Florida on an athletic scholarship and was a national collegiate champion for four years. While she studied telecommunications, Schlegel began a part-time broadcasting career as a gymnastics commentator for CTV. She moved to the CBC for the Seoul Olympics in 1988, and since 1992 has been a commentator for the American network NBC. "I am never not taking notes and watching tapes," says Schlegel, who is preparing to cover the 2000 Sydney Olympics. When she isn't coaching or attending competitions around the world, Schlegel likes to cook with her boyfriend, Marc Dunn, a firefighter and professional beach volleyball player, in their Toronto home. The couple also stay fit by hiking, hiking and water-skiing at her parents' cottage north of the city.

But Schlegel never forgets what she calls the "old days." After she won her Commonwealth gold medal, Schlegel remembers reporters asking her if she had had a normal childhood and whether she thought the sport was linked to child abuse—based on the fact that gymnasts were too young and too tiny. "I was tiny," she allows, "but I was strong. Besides, there was nothing else I wanted to do." As for her size, Schlegel says laughing: "I did grow, I'm now five feet, three inches."

Barbara Righton





Young, impatient and empowered

The light went on somewhere around Vulcan. It was July, 1994, and Robert Barnard was in Alberta driving his Dodge Neon across Canada after finishing work on Generation 2000, a project designed to engage young people in national issues. At 27, carting along 50 CDs and his Mac PowerBook, he was every inch a Gen-Xer. Problem was, Barnard didn't buy the disaffected-slacker stereotype, inspired by Douglas Coupland's best-selling 1991 novel *Generation X: Tales for an Accelerated Culture*. Gen-Xers were expected to be filled with ennui and ambivalence. They were supposed to hold "McJobs" or no jobs at all and live, in the words of Coupland's protagonist, "small lives on the periphery."

But the young people Barnard knew were starting small businesses, travelling, and immersing themselves in digital culture. He believed they did have a unique identity, but it wasn't that of the Gen-X loser. On the drive, Barnard began to muse about bringing together a network of twenty-something thinkers to define their generation. By the time he reached British Columbia, his thoughts had evolved into a plan for a consulting company. Barnard decided to base it in Toronto and dubbed it d-Code (a play on decode). By 1995, after a year of research involving informal polls of young Canadians, Barnard defined a new demographic with a new name: the Nexus generation.

According to d-Code, Nexus is a wave of more than seven million Canadians between 18 and 35. They represent 33 per cent of Canada's population and 40 per cent of voters. Revenue Canada statistics from 1996 showed the Nexus generation had $105 billion in total disposable income. In a 1997 d-Code poll of this age group, close to half the respondents expected to meet or exceed career goals and to leave a "better world" to their children. "We found a generation of young people who want to succeed," says Barnard. "They are resourceful, adaptable and optimistic."

The Nexus concept gained wider acceptance last fall with the publication of *Chips & Pop: Decoding the Nexus Generation*, which Barnard co-wrote with his d-Code partners Jennifer Welsh (who will soon leave the firm to become a professor at the University of Oxford) and Dave Cosgrave. The book's title—a play on two of this generation's favourite food groups—refers to the two main influences on the Nexus identity: the computer chip, and the importance of global TV and the Internet in pop culture. *Chips & Pop* describes how Nexus shops, works and plays and it established d-Code as experts in the post-baby-boom demographic. The book argues that two global recessions, cable television, the fall of communism and the rise of the personal computer shaped the views of Nexus.



Barnard (left), Welsh: decoding a generation shaped by computers and pop culture

Barnard says baby-boomer supervisors are bewildered by the Nexus generation's lack of company loyalty and penchant for job-hopping. "They offer them a job for life and Nexus isn't interested," he says. "The lifetime employment contract is dead." Nexus consumers are prone to "cluster loyalty"—instead of one favourite radio station, one of these listeners will have six. Barnard says such traits cause employers to look upon Nexus as the impatient generation. "That's true," he says. "They want to have meaning in their work at an entry level,



rather than waiting 10 or 15 years for it."

D-code statistics show the Nexus generation is entrepreneurial by nature and 25 per cent expect to be self-employed. They are skeptical of government safety nets. Most, for example, do not believe the Canada Pension Plan will exist 40 years from now. "They have a very low expectation that the government is going to be able to help them," observes Welsh, 34, who says Nexus' choice of RRSPs as their number 1 purchase item is evidence of their misgivings. Even so, the generation is optimistic about the future.

Their bright outlook is matched by their purchasing power. In North America, Nexus has hundreds of billions to spend. This has translated into business for d-Code, the only consulting company in Canada focusing exclusively on the 18-to-35-year-old market. Since d-Code was launched four years ago, it has landed some high-profile clients, including the Royal Bank of Canada, Molson Breweries and Nortel Networks.

"We discovered that 36 per cent of Nexus were intending on becoming entrepreneurs," says Charles Coffey, executive vice-president of the Royal's business banking division. "We refocused our efforts on youth entrepreneurs." Royal Bank now has a Nexus entrepreneurs advisory committee and is implementing some of d-Code's less statistical advice, such as "lose the suits."

D-code's key selling point is its "network," an informal roster of 150 Nexus professionals. These trend spotters tip d-Code to the latest developments in the Nexus demographic. In Ottawa, Nortel enlisted d-Code and its network to improve on-campus presentations. "It had a substantial impact on our recruiting," says Nortel's Craig Ingram. The company hires between 550 and 700 new graduates each year and more than 2,000 students. Nortel and d-Code came up with the "Living in 3-D" campaign, designed to appeal to the Nexus desire to mesh work, play and personal life. As a result, Nortel attracted more interest and better applicants.

Still, the Nexus concept is a long way from replacing Gen X as the label for a younger generation. "I think it's a generation trying to be interesting," says Philippe Garneau, a partner with Toronto-based Garneau, Wüstslin, Philp Brand Engineering Inc. But Garneau finds Nexus' 18-to-35 range too broad to be useful. "You have got to be very precise," he says. "You have to know their cultural references, not just their demographics." But such criticism does not perturb Barnard. "Nexus is a way for us to start a conversation without bringing along the preconceived ideas attached to Generation X," he says. "We're not trying to relabel the generation. God knows, that hasn't worked in the past."

Andrew Clark



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Hand in hand

Talk about convergence. Recently, Toronto political journalist Stevie Cameron's 1998 book, *Blue Trust: The Author, The Lawyer, His Wife, and Her Money*, was shortlisted for two major Canadian literary awards. Her tale of the rise and fall of Montreal lawyer Bruce Verchere received its first nod from the jury that selected the six finalists for the Crime Writers of Canada's Arthur Ellis Award—in the true crime category. Last week, *Blue Trust* was among the four entries nominated for the National Business Book Award. But while some might perceive one book fitting both categories as a bit incongruous, Cameron, editor-in-chief of *Elm Street* and a contributing editor at *Maclean's*, is not among them. "Nobody should be surprised," she says. "After all, business and crime have long gone hand in hand."


Rick Girard

Cameron: her book is for fans of business—and crime

Family feud

Last week, Anne-Marie Péladeau, 34, claimed that her brothers had rendered her penniless. The daughter of late Quebecor media tycoon Pierre Péladeau filed papers in Quebec Superior Court, demanding that Pierre-Karl and Erik hand over blocked funds from the family's publishing empire. The sister, who has been treated on numerous occasions for cocaine addiction, says that they have offered to pay $300 a week directly to a drug-rehabilitation centre. But, saying that she has no confidence in the clinic, Anne-Marie reported that her monthly expenses amount to more than $10,800, including care and schooling for her 14-year-old daughter. According to her lawyer, Philippe Trudel, Anne-Marie is asking for $21 million in damages, the estimated worth of her shares in the Quebecor empire, now run by Pierre-Karl.

Anne-Marie's problems were publicly acknowledged by her father before his death in 1997. In 1993, the family placed her under trusteeship. In 1997, the trusteeship was turned over to a third party, General Trust of Canada, but the two brothers recently overrode the trustee. Lawyers are scheduled to return to court this week. Said Trudel: "In effect, this is a move to control her life."

Pop Movies

1.	Entrapment (200/1)	$2 841,220
2.	The Matrix (220/6)	$1 244,400
3	Never Been Kissed (167/4)	$692,890
4	Existenz (127/2)	$301 130
5.	Idle Hands (99/1)	$295,340
6.	Life (162/3)	$266 750
7.	10 Things I Hate About You (155/6)	$232,480
8.	Go (115/4)	$225,460
9	Pushing Tin (52/2)	$200,790
10	Life Is Beautiful (77/27)	$184 920

Top movies in Canada, ranked according to box-office receipts during the seven days that ended on May 6. (In brackets: numbers of screens/weeks showing.)

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Tea and tears

The cast of *Tea with Mussolini* boasts two dames, a lady, a diva and a legendary comedienne. Combined they have four Oscars and another seven Academy Award nominations. Dame Judi Dench, Dame Maggie Smith, Joan Plowright, Cher (below) and Lily Tomlin appear in a story drawn from the memoirs of Franco Zeffirelli, who directs the period film. It is a coming-of-age tale set in Florence, Italy, immediately before the Second World War. The acclaimed actresses play British and American expatriates who take in a young Italian boy born out of wedlock and fashion him into a "perfect British gentleman." But as war approaches and the women threaten to become "enemy aliens," their comic adventures with their ward are replaced by tragedy.



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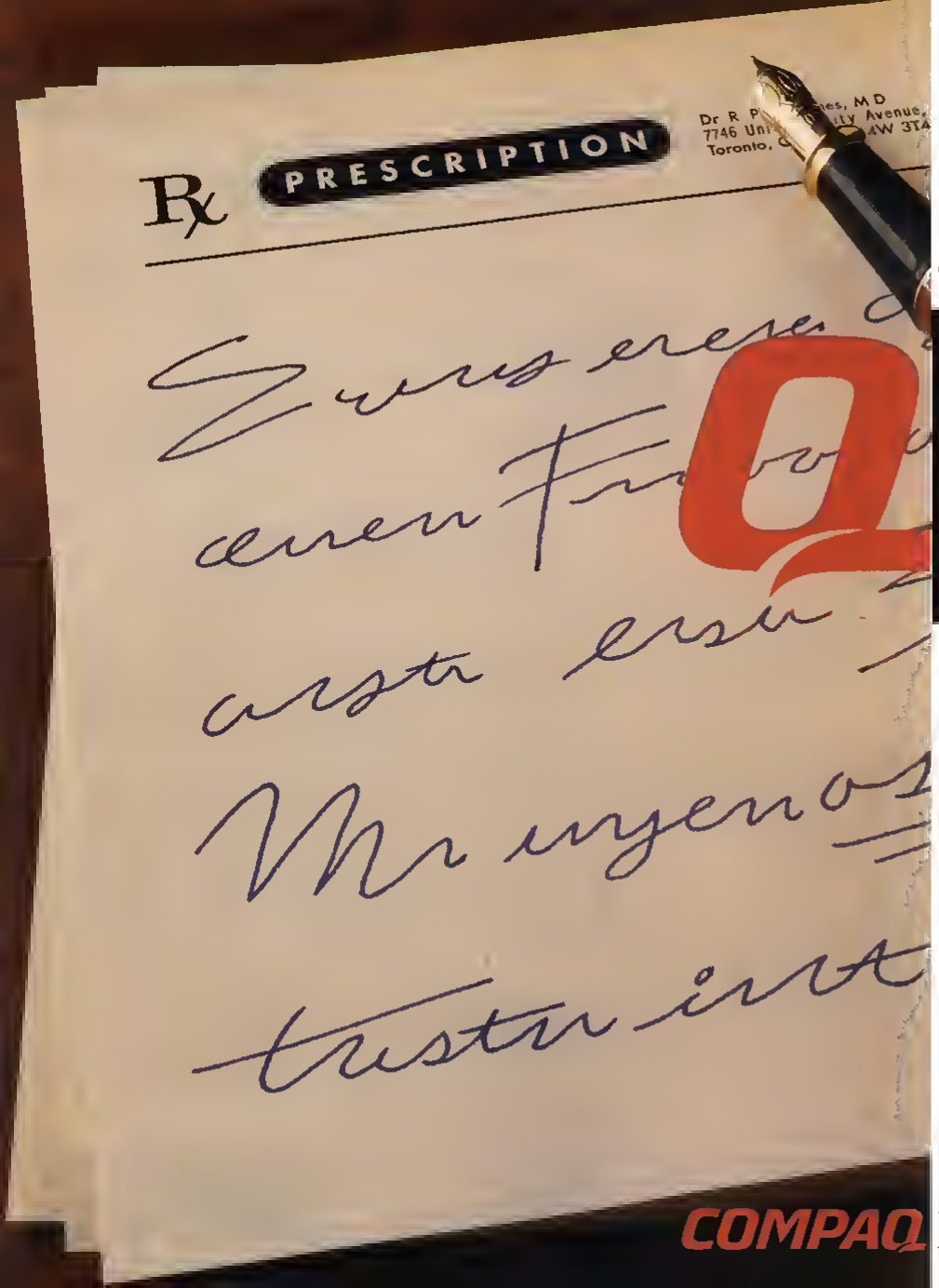
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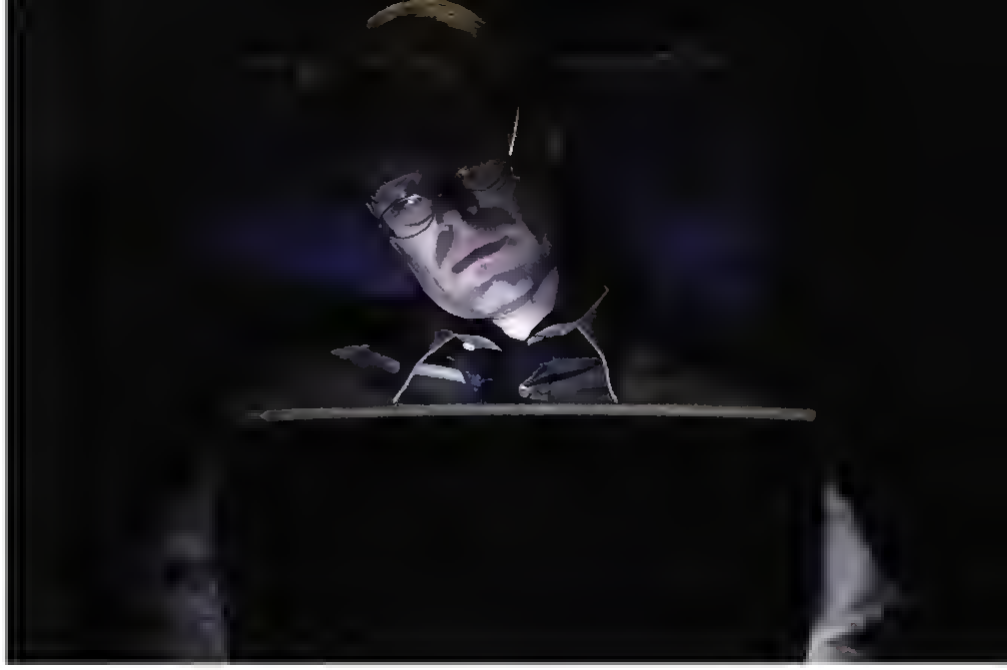
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Backstage



Anthony Wilson-Smith

Winning justice for seamen

The first thing that people noticed about Gordon Olmstead was how impeccably he dressed. The flannels, blue blazer and white shirt were always neatly pressed, the white hair perfectly in place, the tie never a centimetre askew. His manner of speech was soft, with long pauses punctuating sentences. A career civil servant, and small-c conservative in his views, Gordon seemed an unlikely warrior on behalf of a long-unpopular cause. Even before the pancreatic cancer that weakened and finally took his life on April 24 at age 82, it was hard to believe that such a slight figure had endured a firsthand brush with death at sea, survived 52 months in a Second World War prison camp, and led a largely successful battle against the federal government that lasted more than half a century.

Without Olmstead, the fewer than 2,200 surviving Canadian merchant seamen who manned the cargo ships in the war would probably not have the pension and disability benefits they became eligible to receive in 1992. Nor would they have a *Merchant Navy Book of Remembrance* in the Peace Tower on Parliament Hill, honouring their dead from two wars. That was put in place in 1994. "Without Gordon's tenacity, the merchant navy would probably still be unrecognized," says retired senator Jack Marshall, a war veteran who pressed Olmstead's case in the early 1990s. "Even when the odds seemed hopeless, he insisted he would change things."

One afternoon in 1992, Olmstead spent several hours with a journalist talking about his experiences—including the event that he occasionally relived in nightmares. In March, 1941, the 23-year-old Manitoba native was a radio operator on the merchant navy ship Agnita. As it sailed off the coast of Africa, it was spotted by the German raider Kormoran, which opened fire. Olmstead and other crew members took to lifeboats. At one point, he looked up to the deck of the Kormoran and "could see machine-guns pointing straight at me. I thought it was the end." The captain took Olmstead and his shipmates prisoner, and torpedoed the Agnita.

Olmstead ended up in a camp in Germany that contained 3,500 prisoners from 34 countries. There, he lived in a small room with 25 other prisoners, and remembered being "always hungry and almost always cold." But he considered himself well-off: the next compound was filled with East Europeans, fed so little that many starved to death. When Olmstead and Canadian and British colleagues rolled potatoes to them under a fence, guards fired on the prisoners who tried to retrieve them.

When the war ended in 1945, the federal government refused to grant merchant seamen the full range of benefits accorded other veterans, such as pensions and a subsidized university education. "That pushed them back into the merchant navy," said Foster Griezic, a professor and labour historian who worked with Olmstead for more than a decade. "That suited the government and shipping bosses, because it gave Canada ready-made labour at sea that gave it an edge over other countries."

No one officially acknowledged that as the reason. Successive governments—and representatives of leading veterans' groups—argued that merchant seamen were not "proper" veterans because they didn't serve the government directly. There were suggestions that their union leaders were covert Communists, and that the seamen, if they cared about Canada, would have joined the "real" armed forces. All that was a blend of fiction and distorted fact. Of 12,000 Canadian merchant seamen then, at least 7,000 sailed through officially described "dangerous waters." In the Battle of the Atlantic, one out of every four men who sailed died. Winston Churchill said: "The Battle of the Atlantic was won by the courage, fortitude and determination of Allied merchant seamen."

Olmstead, who became an engineer, began the full-time fight for recognition after his retirement in the 1980s. His weapons included old Hansards, oral histories from other veterans, and documentation of how other Allies—including Britain, the United States, Norway and Australia—recognized veterans. His allies included other vets, his wife, Dorothy, Griezic and Marshall. When Olmstead presented his final brief to a parliamentary committee last Nov. 5, illness had withered him and forced him into a wheelchair. But he told Griezic he would use his sickness "as another weapon"—to make his presentation that much more powerful. When he realized his illness was terminal, he arranged his will and tax return, contacted friends to say goodbye, and gave his file and tapes to Griezic with instructions to turn it into a book.

On March 25, Bill C-61 came into effect, extending the 1992 legislation and granting full recognition and pension benefits to the surviving seamen. A parliamentary committee is considering what—if any—compensation to give surviving vets for benefits previously denied. Olmstead's estimate was that at least $100,000 would be appropriate. Some opposition MPs consider that figure modest. Whatever the amount, the settlement would mark the final chapter of the struggle. By Olmstead's end, Griezic says, "Gordon was quite angry. He couldn't understand why it was so hard to get so little for people who did so much." That question is unanswered. But without Gordon Olmstead, it might never have been raised.





Anti-Tory protest, the premier (left), the 'tax-cut guy'

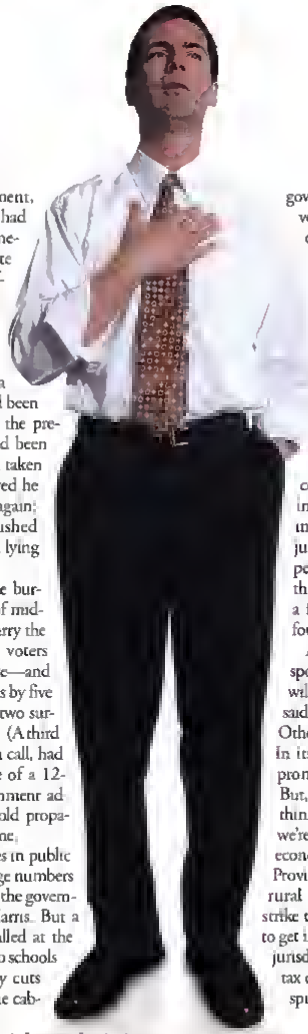
The HARRIS Factor

Ontario's election is turning into a referendum on tough policies that have polarized the province

By Robert Sheppard

Most government leaders like to cloak themselves in the trappings of high office when they call an election. Unleashing the hounds for a June 3 vote, Ontario Premier Mike Harris chose instead the sunlit backyard of Lindsay Mason, a resident of small-town Newmarket who runs a marketing and promotion business. This was a symbolic visit for Harris, maybe even a superstitious one: four years ago, when he launched his bold plan to cut Ontario taxes by 30 per cent in the teeth of a huge deficit—and with fellow Conservatives across the country counselling him to balance the books first—he did it in Lindsay Mason's living room. Now, he wanted to come back, with jaded media in tow, to demonstrate how well she was getting on with her life. But even in sunny Newmarket, the anxieties and lack of civility that has characterized Ontario's return to prosperity were only a shout away. Harris's songs of praise to his own tax-cutting prowess—and his boast that he was the only true leader in the race—were nearly drowned out by protesters chanting "Bye-bye, Mike." Suddenly, all of Canada found itself in Mason's backyard, wondering whether Ontario would be the place where voters said enough to tax cuts—we want our hospitals and schools the way they were.

Across the street, Mason's neighbours were aghast at the spectacle—the four police cruisers, an entire block of media



Peter Bregg/Maclean's

Harris is blessed with a thriving economy and with little-known opponents at the helm of the provincial Liberals and New Democrats

The Liberals' McGuinty, a platfoem that focuses on health care and education

buses and remote transmitting equipment, the 30 or so chanting protesters who had hired their own bus and followed the media entourage to its destination, despite elaborate attempts by the premier's office to keep the location secret. "At first, I thought it was a murder," said Guido Dewinne, who lives across the street (back at Queen's Park, the opposition parties discovered through a curt news release that the election had been called—no courtesy phone call from the premier or a senior representative, as had been the case in the past). But once he had taken stock of the situation, Dewinne allowed he was probably going to vote for Harris again: "He did what he promised. He pushed through a lot of things that have been lying around for years."

That is a prevailing sentiment in the burgeoning new housing developments of middle Ontario, but will it be enough to carry the day? Harris called the election with voters widely polarized about his performance—and his party trailing the opposition Liberals by five or six percentage points, according to two surveys that came out on the eve of the call. (A third on Saturday, the first since the election call, had him ahead by 12.) This in the wake of a 12-month $32-million barrage of government advertising that might even make that old propagandist Pierre Trudeau blush with shame.

There have been conflicting messages in public opinion sampling in recent weeks. Large numbers of Ontarians say they like the direction the government is heading, and even respect Harris. But a larger number are, conflictingly, appalled at the pace of change and what is happening to schools and hospitals after four years of Tory cuts. "We've got a good shot at this," says one cabinet minister. "But I'm worried about the Churchill effect—will people say, 'Thanks for the heavy lifting, but now it's time to move on?' " It's a good question: in the shortest election campaign in provincial history—just over four weeks—can Mike Harris rekindle his tough-love affair with Ontario voters? Ontarians are not the only ones who want to find out.

Ontario is the first of at least five governments that could hold elections this spring—on Saturday the New Brunswick government dropped the writ for a June 7 vote, while premiers in Manitoba, Saskatchewan and Nova Scotia are testing the waters. All are watching Harris's progress with a mix of fascination and dread. Four years ago, when provincial budgets were massively in the red, only Harris opted to cut the deficit, services *and* taxes—all at the same time. "I am the tax-cut guy," Harris says, sometimes defiantly, sometimes almost perplexed that the message doesn't automatically sink in. His first round of cuts, a 30-per cent reduction in the provincial rate of income tax, began with his first budget in the spring of 1996 and provoked other jurisdictions to follow suit to stay competitive. His pre-election budget—take that, front-running Alberta—promised a further 20-per-cent cut over the next four years.

Alberta's Ralph Klein has already responded. "I'm not conceding that Ontario will have the lowest taxes in Canada," he said. "We will have to crunch the numbers." Others are almost giving up on the contest. In its own pre-election budget, Manitoba promised just a six-per-cent tax cut by 2000. But, laments Premier Gary Filmon, "I don't think we would be naive enough to suggest we're going to be competing with the most economically powerful places in Canada." Provinces like Saskatchewan, which closed rural hospitals and stared down a nurses' strike to keep its books in order, are not eager to get into a further tax-cutting war with other jurisdictions. Quebec effected some modest tax cuts in each of its past two budgets—in spite of anger from its highly politicized civil service unions (tax cuts mean less government revenue—and fewer wage concessions). Now, if Harris is re-elected and the new income tax cuts kick in, an Ontario couple with two children earning $60,000 would pay $3,143 less in tax than their Quebec counterpart.

As well as the pledged income tax cut, Harris is also guaranteeing a 20-per-cent reduction in the provincial portion of property tax, a sop to those who have seen those taxes rise substantially because of the province downloading functions to municipalities. He is also promising a $3.8-billion increase in health-care spending and a $10-billion infrastructure program over the next five years. The NDP, by contrast, would reverse the Harris cuts on those earning more than $80,000 a year to pay for its health-care promises. The Liberals pledge not to raise taxes, but they won't cut any more until the deficit is eliminated—and then only after ensuring that the lion's share, at least 75 per cent, of any budgetary surplus goes to buttressing the province's schools and hospitals and paying down the debt. To make their point, the Liberals even ran pre-election ads on television recently showing Harris proudly announcing the new tax cuts, juxtaposed with images of lineups at a hospital emergency ward. The message—that tax cuts compromise health care and access to higher education—is being driven home by NDP and Liberal candidates. "We can be a proud province or we can follow New Jersey," says Liberal Leader Dalton McGuinty. "We can choose dignity for our sick or put them on stretchers in emergency room hallways."



Empty classroom during the 1997 teachers' strike: enemies

The battle lines have been drawn. "This should be a close election, maybe even a nasty one," suggests Environics pollster Jane Armstrong. "As much as anything else, it could be decided on the basis of social class." But commentators note Harris, 54, is blessed with a thriving economy and with little-known opponents in McGuinty, 43, and NDP Leader Howard Hampton, 47. As caricatures go, it is the cagey former golf pro versus the boy scout versus the hockey-playing labour lawyer. But as the campaign buses roll out through the verdant Ontario countryside, it will not be Harris versus McGuinty or Hampton that will be on the minds of many voters. It will be Mike Harris versus himself.

Not since John Robarts won re-election in 1967 has an Ontario premier won back-to-back majorities. But, as all Ontario realizes by now, Harris is not someone who backs away from a tussle. In four years in office he has antagonized almost every major interest in the province: civil servants, teachers, hospital workers, environmentalists, those opposed to institutionalized gambling. On the national scene, he has repositioned Ontario as a no-holds-barred combatant with Ottawa on a number of economic and social concerns. No longer striving to be Confederation's broker, he may even be Confederation's lone wolf: his unexpectedly compassionate stand a year ago to compensate *all* those who contracted hepatitis C through tainted blood presented his fellow premiers with a crisis of conscience and forced them to dig deeper into their own treasuries.

That is what Ontarians are doing, too, on a variety of fronts, trying to plumb their own social conscience and gauge the relative merits of the Harris revolution. Prosperity has returned, the province is leading the nation in economic growth, new cars are flooding the streets, nearly 540,000 new jobs have been created on the Tory watch, and 372,000 people have been weaned off welfare. But putting off eliminating the deficit for tax breaks has seen Ontario's debt rise by $22 billion under the Tories. As a percentage of the economy, government debt is now higher—at 30 per cent—than it was under Bob Rae's high-spending NDP government. Household debt has grown as well. And did tax cuts fuel the economic boom, as Harris argues? Economists quibble, but more jobs were created during the comparable economic boom at the end of the 1980s, when David Peterson's Liberal government raised taxes.

On the school front, university tuition is up 20 per cent in most institutions, high schools have a new curriculum—the third under three successive governments—and will be condensed into a four-year program, a proposal that goes back to the 1970s. Students will face yearly tests, school boards have been amalgamated, funding has been equalized between the Catholic and public systems, and boards have been told to close schools or sell property if they want to offer more extensive programs. The system has either been reformed, or exhausted. Teachers are working longer hours in the classroom—but stamp clubs, music programs and sports teams in many places have fallen by the wayside.

Health-care spending has increased slightly during the Conservative period but not nearly enough to keep pace with the demands of an aging population. At least $800 million was taken out of the hospital budget during the Tories' first two years, leading to backups in emergency services and line-

Harris sees himself, fundamentally, as being outside the province's power structure—and from another era

ups for cancer treatment, day surgeries and beds. The richest province, Ontario recently approved a plan to ship cancer patients to the United States to reduce a backlog. But the premier, flush with new federal money after Ottawa's recent budget, also agreed to hire 12,000 new nurses—after at least 3,000 had been laid off only a year earlier with the province picking up a $400-million severance and restructuring tab. Harris had defended the earlier layoffs by comparing the nurses with workers in a Hula Hoop factory whose product had gone out of style.

As former prime minister Brian Mulroney liked to say, in politics you need your friends, but above all else you need your enemies. Friends were so few in the early days of Harris's leadership—the storied Big Blue Machine of former Conservative premier Bill Davis had abandoned Queens Park for Mulroney's Ottawa—that the Harris Tories resorted once to advertising for supporters in newspaper personals. But Harris always knew who his enemies were—and the baiting continues. In the Tories' campaign platform, "union bosses" are singled out to have their salaries published. Teachers will be made to pass recertification tests every three years. Welfare recipients will be made to undergo mandatory drug tests in order to get treatment and make them job-ready. Even Quebec—forget the cozy dinners Harris, his wife, Janet, Quebec Premier Lucien Bouchard and his wife, Audrey Best, have sat down to in recent years—is now in the crosshairs over a cross-border dispute involving construction workers. "This is a government that is more confrontational than we've ever seen in Ontario," observes University of Toronto historian Michael Bliss. "Of course, a lot of people feel this government has picked its enemies well."

The enemies are fighting back. The once-massive protests have abated but the province's three largest teachers' unions have cobbled together a $1-million campaign fund to help defeat the Harris government and are prodding their supporters to vote strategically for Liberal or NDP candidates with the best chance of defeating a Conservative. The teachers and the civil service unions have also created a flying squad of protesters who are determined to disrupt every Harris campaign event they can find out about. Only slightly more subtly, the Toronto board of education announced 10 school closures just two weeks before the election call—putting the blame squarely on the province's controversial funding formula. But having a foil suits the Harris style—even, some of his close associates say, his personality. A resort owner and small-businessman for most of his life, this is a premier who is at his happiest touring someone's factory and sees himself, fundamentally, as being outside the power structure—indeed from another era. In 1995, he staggered the province's opinion makers by promising boot camps for young offenders. This time, as part of his pitch for what he calls "respect and responsibility," he wants the national anthem sung at the beginning of every school day (the Harrises have two sons). Says a top Harris strategist: "We're not the type of folk you find at a Rosedale cocktail party."

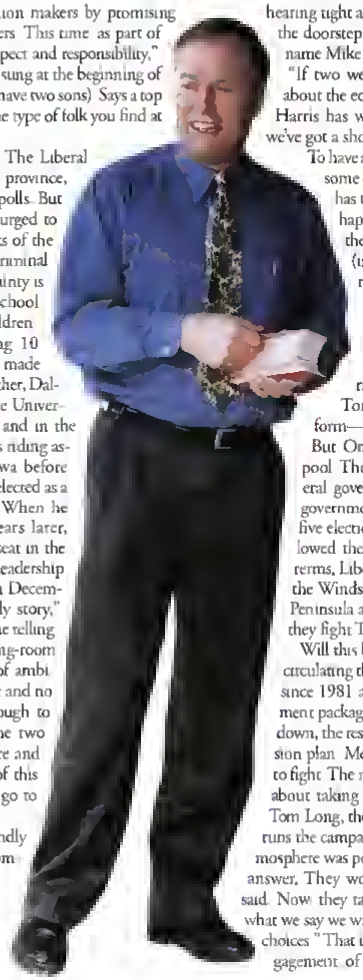
Nor is Dalton McGuinty. The Liberal leader is barely known in the province, despite his party's lead in the polls. But neither was Harris until he surged to the top in the final two weeks of the 1995 campaign. An Ottawa criminal lawyer, the 43-year-old McGuinty is married to Terri, his high-school sweetheart, and has four children. He is the eldest son among 10 McGuinty siblings who have made politics a family enterprise. Father, Dalton Sr., taught literature at the University of Ottawa for 30 years, and in the early 1960s was John Turner's riding association president in Ottawa before catching the bug and getting elected as a provincial Liberal in 1987. When he died unexpectedly three years later, young Dalton took over his seat in the 1990 election and won the leadership as a compromise candidate in December, 1996. "This is the family story," says McGuinty, warming to the telling. "Ten kids, all around the dining-room table. Parents who had lots of ambition for us. A solid work ethic and no money. That was almost enough to find success in Ontario. The two things we needed? Health care and accessible education. Think of this now—we could *all* afford to go to college or university!"

McGuinty's flaw? Even friendly critics say he doesn't look comfortable on the stump. Liberal packagers are frustrated because focus groups keep zeroing in on his narrow shoulders. But in health care, McGuinty may have found his issue. His recurring story is of an 87-year-old man who died in the emergency ward of a Hamilton hospital after 2½ days—without a bed being found for him. "This man, he was a grandfather, a father, he had worked all his life, paid his taxes," McGuinty says. "He'd paid for that bed. It should have been there for him." It is the kind of story pollsters are hearing tight across the country—and that pops up on the doorstep when Conservative canvassers raise the name Mike Harris. Says a senior McGuinty adviser: "If two weeks into this campaign we're talking about the economy and the benefits of tax cuts then Harris has won. If we're talking health care, then we've got a shot at it."

To have a shot, though, the Liberals have to regain some of their "traditional" seats, and the NDP has to remain at the bottom of the pack, perhaps even below the 20-per-cent minimum they have won in every election since 1971 (in the most recent poll, the NDP stood at nine per cent). NDP Leader Hampton, a fierce debater with a wearying lifestyle (he and his wife, MPP Shelley Martel, have two young children and alternative households among her East Sudbury riding, his in western Rainy River, and Toronto), is offering a bare-bones platform—suitable to the party's ambitions.

But Ontario politics is anything but a placid pool. The past 12 years have seen a majority Liberal government, followed by a majority NDP government, followed by the Harris Tories. In the five elections since 1977, not a single one has followed the pattern of the one before it. In broad terms, Liberals fight New Democrats in the North, the Windsor area, Hamilton, parts of the Niagara Peninsula and downtown Toronto, everywhere else they fight Tories.

Will this be Harris's last election? Senior Tories are circulating that notion. He has been in the legislature since 1981 and will be entitled to a one-time retirement package of nearly $1 million when he does step down, the result of doing away with the old MPP pension plan. Meanwhile, though, there is this campaign to fight. The rhetoric is full of Mulroney-style bombast about taking the tough decisions. "You know," says Tom Long, the cherubic-looking political pit bull who runs the campaign team, "the last election the whole atmosphere was poisonous. Voters wouldn't take yes for an answer. They wouldn't believe anything any politician said. Now they take us seriously—they know we will do what we say we will do. They know they have to make real choices." That is another Harris legacy—the sense of engagement of making Ontario a political hot spot.



PETER MORGAN/MACLEAN'S

The NDP's Hampton: a passionate debater, he is offering the province's voters a bare-bones platform

The Ups and Downs of the Harris Revolution

During their political make-over of Ontario, the Tories have slashed budgets and taxes, consolidated municipalities and school boards, and faced down increasingly hostile opponents. Some highlights:

June 8, 1995: The Conservatives defeat Premier Bob Rae's NDP in the provincial election, getting 45 per cent of the popular vote. The next month, in a sign of things to come, they slash $1.9 billion from such areas as welfare and highway projects.

Nov. 29, 1995: The government's mini-budget cuts $6.2 billion from municipalities, hospitals and schools over three years.

Feb. 26, 1996: As anti-government anger mounts, civil servants begin a five-week strike. The following month, a demonstration marks the opening of the legislature's spring session. On May 7, the Tories bring down their first full budget, featuring a 30-per-cent tax cut to be phased in over three years.

June 22, 1996: Howard Hampton is chosen new leader of the NDP.

Oct. 25, 1996: A fifth Day of Protest, organized by a coalition of labour and social activists, paralyzes Toronto. Earlier protests had hit Peterborough, London, Hamilton and Kitchener-Waterloo.

Dec. 1, 1996: Dalton McGuinty wins the Liberal leadership.

Jan. 15, 1997: The Tories unveil details of their proposal to turn Toronto into a megacity, to generally negative reviews. In a March referendum, 76 per cent of Toronto voters oppose the idea, but the Tories forge ahead with the plan, which takes effect on Jan. 1, 1998.

Nov. 3, 1997: Ontario teachers begin a two-week strike.

March 6, 1998: Trying to avert a public relations disaster, Harris apologizes to the three surviving Dionne quintuplets, nearly destitute, after earlier offering them only $2,000 a month in compensation.

May 5, 1998: The provincial budget completes the full 30-per-cent tax cut six months earlier than expected.

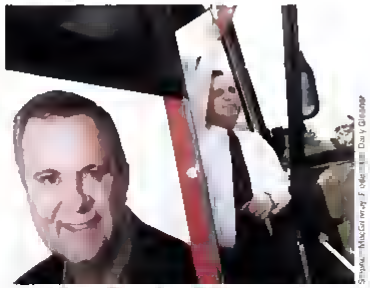
November, 1998: The Tories initiate an election-style advertising campaign attacking McGuinty. They also increase spending on government health and education advertising.

May 4, 1999: The Tories bring down their 1999-2000 budget the day before the election call, promising to cut provincial income tax by a further 20 per cent over the next five years.

Life after McKenna

New Brunswick's Liberals are trying to sell a softer image

New Brunswick Premier Camille Thériault was in a buoyant mood as he headed through Moncton last week towards the 43rd Liberal party nomination meeting. New Brunswick was about to join Ontario—and perhaps Saskatchewan, Manitoba and Nova Scotia—in dropping a spring election writ. And Thériault's Liberals, with 45 of 55 legislative seats, held a commanding lead in the polls. In fact, after a day full of juicy new job announcements and government commitments, the smiling Acadian showed none of the jitters expected of someone on the eve of his first electoral campaign as leader. Even a small crowd of protesters waiting at an elementary school to complain about the province's new toll highway and cuts to special-care homes failed to rattle him. "Never be deterred by rabbit tracks when you are hunting the big game," said Thériault, borrowing a phrase from his predecessor, Frank McKenna, who stepped down as premier in 1997. On Saturday, he did not disappoint the party faithful who greeted the man they hope will drive the Liberal dynasty to a fourth term in power. Thériault called New Brunswickers to vote on June 7.



Stephen MacGregor/Agence Vu/Internet Daily Grounds

Thériault, battling against the rejuvenated Tories

But few Grits are expecting the same easy stroll to victory the party enjoyed in September, 1995. The big reason: McKenna, who led them to three lopsided wins beginning in 1987, is now busy practising law in Moncton, sitting on a number of corporate boards and, reportedly, waiting for a run at the federal leadership when Jean Chrétien steps down. Thériault, 44, who held three portfolios under McKenna, is a more personable, consensus-building politician than his old boss. His government has been scandal-free, and his more moderate message may be welcomed by voters after years of cutbacks designed to eliminate the provincial deficit. But with just 12 months in the premier's job, Thériault lacks the stature to single-handedly carry his party to landslide victory—particularly against a Conservative party that seems fully rejuvenated for the first time since Richard Hatfield's government lost every seat to the Liberals 12 years ago. "We don't have Frank's coattails to ride this time around," said one provincial cabinet minister. "This is going to be 55 individual races."

Another strong majority, though, is certainly within reach. A poll released in March by Halifax-based Corporate Research Associates Inc. showed that 53 per cent of decided voters supported the government, compared with 28 per cent for the Tories and eight per cent for the New Democratic Party. But analysts—and some Liberal strategists—say that despite those impressive numbers the Grits could still lose seats. The political landscape has shifted since 1995. With an Acadian at the Liberal helm, former supporters of the anti-French Confederation of Regions party, which formed the official opposition in 1991 with eight seats and then self-destructed four years later, are expected to back the Conservative party, led by Bernard Lord, an energetic 32-year-old lawyer (the Tories hold nine seats). The upshot could be a return to the province's traditional voting pattern: Liberal in the predominately rural, Acadian north and Conservative in the largely English, more urban south. (The New Democrats, led by MLA Elizabeth Weir, are not expected to be a factor in the race.)

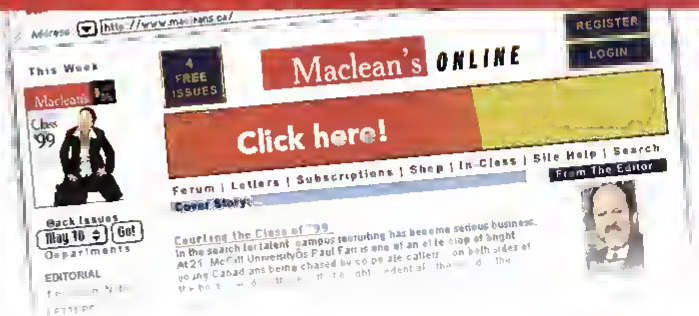
Key Liberal strategists think the main challenge lies in attracting middle-class, suburban New Brunswickers without an established party allegiance. Much, then, will depend on Thériault's ability to continue to sell himself as a moderate version of McKenna, who drew criticism from social groups for the harsh cuts implemented to eliminate a $370-million deficit. "We've brought a more balanced approach," explains Thériault, whose government turned in the fifth consecutive Liberal balanced budget last December. "I believe you have to be fiscally responsible, but also socially compassionate."

As if to underline this—and the central role health care will play in the Liberal platform—last week Thériault's government pledged to spend $62 million in extra transfer payments from Ottawa to wipe out hospital debt and another $28 million to hire nurses, recruit more doctors and expand community services. Thériault may be bringing a different style to New Brunswick's government. But he still knows that well-timed spending announcements may be remembered—when voters step into the polling booth.

John DeMont *in Moncton*

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Hot Water

Ottawa and the provinces grapple with the question of selling a precious resource

By John Geddes

Jerry White has admired crystalline Gisborne Lake since the first time he flew over it 28 years ago. The water was so clear, he recalls, that he imagined he could count the pebbles on the bottom from the air. The shallow lake, about seven kilometres inland from the village of Grand Le Pierre on Newfoundland's south coast, fills a depression scooped out of light pink granite by a glacier 10,000 years ago. There are no big rivers to flush muddy sediment into it, only clean rivulets fed by rain and melting snow. For White, who now runs a thriving construction business in Gander, that first aerial view grew into what has became an entrepreneurial vision: he wants to sell Gisborne Lake water to a parched world, both by the bottle and in oceangoing tankers. "There's no other lake in Newfoundland like it," he says. "That's why I'm so interested."

White's grand plan is attracting worried scrutiny these days from politicians and top-level bureaucrats in Ottawa and St. John's. The reason: his project poses the first real challenge to a federal government policy, announced with some fanfare on Feb. 10, that aims to outlaw all bulk water exports—if the provinces agree. It is the Liberal government's bid to put to rest long-standing fears that Canada's most precious resource could be drained away to slake the thirst of foreign markets. But Newfoundland's stand on White's proposal is far from clear. And the Council of Canadians, the left-leaning lobby group, contends that allowing one bulk water scheme like White's will make it all but impossible to stop future export projects. "Once you turn on the tap, you can't turn it off again," warns COC chairwoman and anti-free-trade firebrand Maude Barlow.

Barlow's argument is that, under the North American Free Trade Agreement, as soon as any bulk water export is allowed, all water will have to be treated as a trade good—subject to strict NAFTA rules. Her view, which is shared by the Canadian Environmental Law Association, among others, is that if Gisborne Lake water is allowed to be exported in tankers, any U.S. or Mexican company that was denied the right to set up a similar exporting scheme anywhere else in Canada would be entitled to demand compensation from Ottawa. But the federal government insists that interpretation of NAFTA is simply wrong. "If indeed we choose to trade some water as a good, that doesn't create an obligation to trade any other water," said a senior official in the department of foreign affairs and international trade.

Still, Ottawa admits this is a contentious area of trade law. So the federal government would much rather Newfoundland, along with all the other provinces, accept a ban that would prevent the NAFTA question from ever being put to the test. But for Newfoundland Premier Brian Tobin, agreeing to that is not so easy: jobs are at stake. White's plan calls for capturing about one-quarter of the lake's annual outflow of 100 million cubic metres. His McCurdy Group of Companies would bottle some of it and pump the rest into tankers bound for far-away markets, perhaps in the Middle East. He estimates 150 jobs would be created in Grand Le Pierre—an outport community of about 400 people that was decimated by the collapse of the cod fishery. Its mayor, George Fizzard, blames Ottawa for pressuring Tobin to delay approval. "They say they're interested in people finding work," Fizzard complains. "Well, it doesn't look much like it."

Nobody objects to White setting up his bottled-



Newfoundland's Gisborne Lake: a grand plan that has attracted worried scrutiny from politicians



Doug Ball/Canapress Maclean's

White: 'All we're going to do is catch this water before it gets into the ocean'

water plant. It is the proposed tanker operation that has opponents up in arms, and leaves Newfoundland with its hard choice. The province's environmental assessment panel is now looking at a second draft of White's environmental impact study, after sending the first version back with a request for more information. White says he is confident the consultants he has hired to complete the mandatory environmental analysis have left no room for a legitimate rejection of the plan on grounds of damaging the local ecology. "All we're going to do is catch this water before it gets into the ocean," he says.

Variations on this drama—a small-time entrepreneur pushing a reluctant provincial government to confront the emotional water-exporting issue—have been played out before. British Columbia banned bulk exports in 1995, before any of several firms then planning to ship bulk water to California could get their ventures up and running. (One of those companies, Sun Belt Water Inc. of Santa Barbara, Calif., served notice early this year of its intent to claim compensation, over the B.C. ban, from Ottawa under NAFTA, an action federal officials insist has little merit.) Last year, the Ontario government gave a permit to Nova Group of Sault Ste. Marie to ship Lake Superior water to Asia. An outcry from environmental groups ended when the province withdrew the permit and promised a new regulation to outlaw future bulk water exports.

The patchwork of provincial reactions prompted Ottawa to try to establish a national policy. On Feb. 10, Environment Minister Christine Stewart and Foreign Affairs Minister Lloyd Axworthy unveiled a strategy aimed at settling the issue once and for all. They promised to amend the International Boundary Waters Treaty Act to prohibit bulk removals from border waters, primarily the Great Lakes—putting an end to the old spectre of Canadian rivers being diverted to irrigate the arid U.S. southwest. At the same time, Ottawa and Washington together asked the International Joint Commission, the agency that oversees management of waters along the border, to study a wider range of issues surrounding diversions and large-scale removal of water from all boundary lakes and rivers. Finally, Ottawa launched the talks with the provinces aimed at an accord banning large-scale transfers of water out of Canadian watersheds, whether within the country or for export.

Work towards the accord is off to a halting start. Along with doubts about Newfoundland's final position, Quebec is, predictably, following its own course, conducting a sweeping review to come up with a provincial water policy—while leaving open the possibility of bulk exports. Some observers now doubt whether Ottawa will be able to cobble together a nationwide accord. That leaves critics, including Barlow's COC, urging the federal Liberals to unilaterally impose a national export ban. But Stewart told *Maclean's* she sees no need for Ottawa to go it alone. She said no province—including Newfoundland—is likely to risk the public backlash that would follow a decision to allow large-scale exports. "This is such an important issue for Canadians," Stewart said, "that my sense is the provinces are well aware of that reality."

Many technical experts question the underlying assumption that big water exports are really a lucrative business proposition. "Despite all the kerfuffle, the export market for Canadian water is minimal," says Don Tate, a former Environment Canada official now working as an independent water management consultant in Ottawa. A report released by Quebec as part of its water policy review, for example, says desalination plants can turn salt water into fresh water at a cost of $1.50 to $2 per cubic metre—two to three times cheaper than the cost of transporting water long distances by tanker. As for the U.S. southwest—often portrayed as a potential sponge for Canadian water—Southern Illinois University water management expert Ben Dziegielewski says conservation methods, from ultra-low-flush toilets to efficient drip irrigation systems, make far better economic sense than massive water imports.

Would-be water entrepreneurs agree that selling drinking water to well-off consumers—not solving large-scale shortages—is where the money will be. "What we're talking about is high-end drinking water," says Fred Paley, chief executive officer of Vancouver-based Global Water Corp., which has hopes of shipping water in bottles and by tanker from Alaska to China, California and perhaps the Middle East. "You could put together a heck of a water-marketing program," he adds, "based on the imagery and mystique of Alaska." Or, presumably, around the image of a pristine Newfoundland lake. But whether Jerry White gets his chance to mount that campaign is now a question not of business but of politics. m

Dividends in a hard place

A unique institution brings banking to the poor and destitute

By Jennifer Hunter

Four Corners Community Savings has all the fittings of a traditional bank: the neo-classical architecture, including the requisite Corinthian columns flanking the entrance, the chiming clock outside, the oak-panelled walls, the lofty ceiling. But although everyone in the Downtown Eastside of Vancouver, considered one of the poorest neighbourhoods in Canada, thinks of Four Corners as a bank and calls it a bank, it is not one in the legal sense. Its real title is B.C. Community Financial Services Corp., and it is a unique provincial Crown corporation, set up in a former Bank of Montreal branch at the corner of Main and Hastings streets, to do what traditional banks have failed to do—help the disadvantaged cash welfare cheques, borrow money, set up savings accounts, even get a line of credit. "We have turned the entire model of a bank upside down," says Four Corners chairman Jim Green. "Banks go after profit. We seek to service people who are in poverty or neglect."

Since it started business in April, 1996, Four Corners has opened 4,780 accounts largely on behalf of low-income earners, welfare recipients, single parent families, the disabled and the mentally ill, many of whom come from across Vancouver to bank there. Unlike the chartered banks, trust companies or credit unions, Four Corners has no service charges on chequing and savings accounts for those on social assistance. "There are a lot of customers who have never been in a bank before," says teller Lorne Gray, 35, a former Montrealer who had himself been on welfare—like many of the other six tellers—before being hired at Four Corners. "I've had people ask me if they were allowed to put money in the bank, they are so used to those cheque cashing places."

Once a month, on "Welfare Wednesdays"—when the doors open at 9 a.m., half an hour earlier than usual—there can be up to 1,000 people visiting Four Corners throughout the day to cash their social assistance cheques. Coffee is offered, chairs laid out, toys are made available for the kids, and disabled customers are served first. Sometimes the lineup can extend out onto the street and around the corner, and the wait can take up to three hours. Since everyone is required to take a number, customers can leave and come back later. "This place has provided a sense of security for many downtrodden folks," says account holder Christopher Aman, 51, a physically disabled man who lives nearby in a flophouse hotel on East Hastings Street.

Four Corners was conceived six years ago by Premier Glen Clark, who was then minister of employment and investment, and is modelled on the South Shore Bank, a Chicago-based bank for lower-income people. Clark knew residents of the Downtown Eastside were having trouble cashing their welfare cheques, particularly if they did not qualify for a bank account because they did not have proper identification or an address. (Chartered banks now say they have relaxed the rules for poorer clients and are more sensitive to their needs.)



'We have turned the entire model of a bank upside down. Banks go after profit. We seek to service people who are in poverty or neglect.'

Green: a little success may go a long way on the Downtown Eastside

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Four Corners helps the disadvantaged set up savings accounts—even get a line of credit

Many area residents were going to money marts, which charge a usurious 2.9-per-cent commission on welfare cheques plus a $1 99 cheque cashing charge (That means a $30 deduction from a social assistance cheque of $969 for a single Vancouver mother with two children)

Other Downtown Eastsiders were cashing cheques at the local pub or store, but were then expected to spend there So Clark recruited Green, a former U S draft dodger and local community activist, to organize Four Corners Special legislation was enacted to create the corporation and $10 million was provided for capital and start-up funds The 11 people on the board of directors include community workers, a blue-chip lawyer, a university business professor, a union president and a film executive



Tom Hanson/CP

Clark, a banking experiment

Green saw Four Corners as a way to generate economic activity and create employment in the area, where the average income is less than $10,000 and there is a pandemic of AIDs and intravenous drug use And in some ways, Four Corners has begun to have a small impact, especially for people such as Karen Wolfchild, a 32-year-old mother of four who has spent the past 12 years in a wheelchair Wolfchild is a teller at Four Corners and this is her first real full-time job. "It has," she says, "given me a lot of self-esteem. I feel good about what I am doing."

But getting Four Corners up and running has not all been smooth sailing Opinions on the quasi-bank are "sharply mixed," notes a report called "Banking and Poor People Talk Is Cheap," released by the Ottawa-based National Council of Welfare. "Some see the bank as a costly experiment that is unlikely to succeed," the report notes. "Others call it a bold and novel attempt to address the social and economic needs of people in the Downtown Eastside." With no service charges on most accounts, the institution has generated income by investing its deposits in the money market. Four Corners has also started to be more aggressive about making personal and business loans to improve return on capital Still, since Four Corners started attracting business in 1996, losses have been recorded every year; by December, 1998, they stood at $450,000. Until lending can pick up, and until more affluent customers decide to join the ranks of the poor and bank there, profits may remain elusive for some time. "No one really knows how to make something like this work," Green concedes. "It's not a standard financial institution and it is difficult to regulate."

Four Corners has also been slow in attracting large depositors, with some groups balking at banking at Main and Hastings, considered one of the most dangerous corners in Vancouver Still, a few large unions, such as the Canadian Union of Postal Workers and the Canadian Auto Workers, have made deposits. So have church groups, student societies and local associations, but Green recognizes more needs to be done to expand the deposit base. One way to do this is by providing access to automatic tellers There are no plans to install an ATM at Four Corners, but automatic teller cards were issued this month and Green anticipates that will attract a more diverse mix of clients to Four Corners, since they will be able to do their banking from anywhere in the city. "Once that happens," he crows, "the sky will be the limit."

Four Corners could become a political hot potato if a non-NDP government comes to power—given its association with the premier. Green recognizes that the present government—which sits at an uncomfortable 18 per cent in the polls—could be ousted when the next provincial election rolls around in two years But he is confident Four Corners will not fall with it "With the list of supporters we have and with over 4,000 people relying on us, it would be difficult for anyone wanting to close us down," he declares. "We used to have that fear, but we don't now." Clearly, he is banking that a little bit of success will go a long way.

Extending gay rights

Quebec Justice Minister Linda Goupil introduced legislation that would give same-sex couples the same rights enjoyed by heterosexual common-law couples. The legislation extends to laws affecting pension and taxation benefits Goupil noted that only one other North American jurisdiction—the state of Hawaii—currently recognizes gay couples Other governments, though, including Ottawa, are moving ahead with similar reforms.

Seal wars

The federally appointed Fisheries Resource Conservation Council, an advisory group to Fisheries Minister David Anderson, recommended that seal herds in areas with low fish stocks be culled by up to 50 per cent The council, made up of scientists and fishermen, also said Ottawa should establish seal-free zones where fishermen would have the right to shoot all seals. Anderson said he was not opposed to the idea, but stated that the connection between low fish stocks and seal populations has not been scientifically established

Ottawa and the Nisga'a

Indian Affairs Minister Jane Stewart signed the Nisga'a land treaty in Ottawa but the deal's ratification by Parliament was put off until the fall Insiders say the federal government is hoping that the controversy over the treaty—including the fact that the B C government invoked closure to pass it in the provincial legislature—will subside before it is debated in Parliament Critics say the treaty—the first such agreement with B.C. natives in a century—gives the Nisga'a too much power and discriminates against non natives

Blood warning

Canadian Blood Services, the country's new national blood agency, said it may stop taking donations from people who have travelled in Britain. According to the agency, those people may have been exposed to a new variant of Creutzfeldt-Jakob disease—the human equivalent of mad-cow disease—which can be transmitted through blood and destroys the brain According to a survey by the agency, 22 per cent of Canadian blood donors have visited the United Kingdom since 1980. Humans can contract the disease through the consumption of tainted beef; there have been 40 such cases reported in Britain, but no confirmed cases in North America.



Chuck Stoody/CP

Taber comes to terms with tragedy

Rev. Dale Lang delivered a sermon during a memorial to his slain son, Jason, at W. R. Myers High School in Taber, Alta. The school shooting on April 28, during which another teen was injured, came just eight days after the massacre in Littleton, Colo. "This school, Lord, is not going to be taken over by evil," Lang declared. A 14-year-old has been charged in the crime.

Righting a terrible wrong

At long last, David Milgaard may be compensated for the nearly 23 years he wrongly spent in prison. His lawyer, Hersh Wolch, said a compensation agreement is likely to be finalized this week between Milgaard, 46, and the government of Saskatchewan. But both Wolch and Saskatchewan Premier Roy Romanow would not comment on a report saying a deal had already been struck that would give Milgaard a $10-million compensation package $2 million up front and a tax-free monthly annuity of $20,000 for the rest of his life In return, he would drop a lawsuit alleging negligence and misconduct by Saskatchewan authorities.

At week's end, Romanow said only that "we're working away at it and we hope to be successful at getting an agreement, hopefully sooner than later' Milgaard was convicted in 1970 for the 1969 sex slaying of Saskatoon nurse's aide Gail Miller, but DNA evidence exonerated him in 1997. His state of mind has been fragile in recent weeks, which his mother, Joyce, has attributed to the difficulties in securing a compensation package. On April 26, Milgaard was temporarily committed to a psychiatric ward in British Columbia's Okanagan Valley after loudly demanding medication from a local doctor.

A court ruling to protect parents

B.C. Supreme Court Justice Malcolm Macaulay turned down an application by the *National Post* to view the autopsy pictures of murdered Victoria-area teenager Reena Virk. The request came during the second-degree murder trial of Warren Glowatski The Crown contends that Glowatski and a group of girls first assaulted Virk, 14, on the night of Nov 14, 1997, and that he and one girl subsequently killed Virk Macaulay ruled that media viewing of the autopsy photos would emotionally harm Virk's parents, and possibly prejudice Glowatski's right to a fair trial

Straight, but with an Edge

A philosophy born of punk rock has some young adults choosing to live without sex, booze and drugs

By Susan McClelland



Bif onstage in Toronto: 'It became clearer and clearer to me that this is what I needed to do'

It's Saturday night in a downtown Toronto club. The music is throbbing, cigarette smoke fills the air, drinks are being served as quickly as the waitresses can deliver, and singles scan the room for company. In other words, it's another night of sex, drugs and rock 'n' roll. But there's a twist. Tonight's attraction, Vancouver singer Bif Naked—a rising star thanks to her 1998 album, *I Bificus*, and the hit song *Spaceman*—takes the stage and shouts, "Live drug-free." Bif, to be sure, is no typical rocker. She has the requisite tattoos and theatrical makeup, but the 28-year-old's repertoire consists mainly of songs about love and life, and she proudly and loudly denounces booze, cigarettes and promiscuous sex.

Her views do not appear to be catching on with the all-ages club crowd. Most of the older fans continue to drink and smoke, and when questioned, some of the more cynical observers regard Bif's puritanical outbursts as publicity stunts. What most don't know is that Bif subscribes to a little-known movement called Straight Edge that espouses, among other things, clean living. "It's a philosophy," she explains later in an interview with *Maclean's*. "It's a commitment not to do these things for the rest of my life. Every passing year that I have Straight Edge under my belt, I have more conviction about it."

Bif is not alone. There are no hard statistics yet, but the popularity of Straight Edge bands in North America, the sales of albums and the proliferation of related Web sites suggest that thousands of North American teens and twentysomethings have gravitated to the movement. Adherents range from Gap-clad suburban teenagers to tattooed and lip-pierced punk rockers. There are hardliners in the movement who have been linked to a series of violent attacks in Utah, but the vast majority rejects those extreme tactics. For them, Straight Edge is a music genre, a form of hard-core punk rock, that loudly proclaims the merits of life without vices. Bif, though not a punk rocker herself, is a former drug user who first em-



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Advertising Supplement to the May 17, 1999, issue of Maclean's Magazine

CROSSING THE EURO BORDER

Challenges and Opportunities for Canadian Companies



Illustration: Kirk Fischer/Masterfile

UNDERSTANDING THE EURO

Starting January, 1999, the 11 European countries of the Economic and Monetary Union (EMU) began sharing a new common currency called the euro. At first, the euro will be used as an accounting currency, compulsory only for monetary operations. Consumers, companies, retailers and banks will not have to adopt the euro officially until Dec. 31, 2001.

Until then, there will be no bank notes or coins denominated in euros, although some banks will issue euro-denominated travellers' cheques. By July, 2002, however, the domestic currencies of EMU countries will be taken out of circulation and the euro will become the common and only currency for all.

The new currency will have its most direct impact on companies based in Europe. But it will also affect importers and exporters, and even companies that deal only in Canada. As Canada's banks have discovered, European companies have already demonstrated increased efficiencies that make them capable of competing in international markets, including Canada. Europe accounts for about three per cent of Canada's exports, and half of those go to the UK, which does not belong to the EMU. But Canadian companies may still benefit indirectly from the success of the euro as it leads to greater efficiency and greater demand for products and services that contribute to this efficiency.

Although the euro came into effect only this year, European integration began decades ago. Efforts were initially restricted to creating a common market for coal and steel. In 1957, the Treaty of Rome set the stage for the long-term removal of tariffs in order to create a free-trade zone called the European Economic Community.

The progress of the European Union eventually led to the 1992 signing of the Maastricht Treaty, which enabled the free movement of goods, services, people and capital between member countries. Governments began to co-ordinate their economic and fiscal policies. For several years, for example, European nations have imposed fixed but adjustable exchange rates. Currencies could move within certain margins of fluctuation

against each other, but when the limits were breached, the authorities responsible for the particular currencies were required to respond with appropriate policy measures. This arrangement has evolved into a single currency—the euro—with a European Central Bank responsible for a single monetary policy. It represents another step toward creating a single market in Europe, and even greater co-ordination of economic and monetary policies.

OPPORTUNITIES IN EUROLAND

According to European Union representatives in Ottawa, the euro will enhance stability, predictability and transparency throughout European markets. At the same time, it will encourage greater competition among companies conducting business in Europe. With competition will come a need for greater efficiency, which will lead to consolidation within certain industries.

"You'll see a lot of Canadian companies making acquisitions in Europe," says Peter Van Dijk, an international tax lawyer with Ernst & Young in Toronto. "In particular business segments, companies will look for efficiency improvements through acquisitions. The financial services sector is one."

CIBC Wood Gundy Securities, for example, has negotiated a joint venture with Cie Financière Edmond de Rothschild Banque. CIBC already runs an office in London. The joint venture will bring it closer to merger and acquisition clients in the rest of Europe.

Other industries in which Canadian companies will find rising levels of competition and merger activity include medical devices, pre-fabricated housing, scientific equipment, technology and intellectual property.

"Consolidation offers huge scope for improving the profitability of European firms," says *The Economist* magazine. "Research has shown that the more concentrated an industry, the higher its return on capital employed. The current frenzy of activity is consolidating the smaller parts of European industry, which are more fragmented than their American counterparts."

CHANGES IN THE BUSINESS ENVIRONMENT

By creating a single, more efficient market for goods and services, the euro will raise the competitiveness of participating economies. Among other things, it will encourage a more rapid development of new product lines, a faster implementation of new techniques in the production process, and more investment in human capital. Therefore, it will encourage growth of production, income and employment, and restrain inflation.

European officials say EMU and the euro will also bring companies more choice and business opportunities. Many will be made stronger and more competitive by:

- the disappearance of exchange-rate risk in most of the European Union's largest markets;
- increased competition in the banking industry and lower interest rates;
- companies will be able to sell their products and services across a far wider area to more potential customers.

"Large companies operating across Europe will also enjoy a reduction in many of their costs," the European Union contends, "notably in the areas of treasury management, foreign exchange transactions and through the elimination of much of today's foreign exchange risk. But the impact of the euro will be much wider and will affect employment policies, pricing and marketing, and decisions on the location of production and distribution centres."

For Canadian companies operating in Europe, treasury operations may become centralized. Instead of using a different bank account and bank in each country in Europe where they do business, companies can centralize their management of foreign exchange, bank relationships and cash management, and–eventually–payment initiation and accounting procedures. Through the European Central Bank, companies can also transfer funds from one EMU country to another electronically, through mechanisms similar to the Canadian payments system. However, each country will still administer its own regulations involving cross-border payments, resident and non-resident requirements and other payment-related functions.

Except in Germany, organizations may start filing corporate income tax and value-added tax returns in euros. (Individuals, however, will still file their tax returns in the local currency.) As they centralize treasury and other functions, companies can take advantage of differences between tax rates, depending on the function and risks involved. Ireland, for example, imposes a 10 per cent tax on products manufactured domestically. The same rate in Switzerland ranges from eight per cent to 27 per cent and, in the Netherlands, from five per cent to 20 per cent. For the same reason, some companies may choose to locate their European head offices in low-tax environments such as Luxembourg or Spain.

The euro also raises several legal issues for companies operating in Europe. Under EMU measures, organizations signing contracts before Jan. 1, 1999 but terminating them after that date will still be governed by laws in effect at the time of signing. In other countries, the continuity of contracts is less certain. In the US, individual states such as New York and Illinois have passed laws specifically to govern the transition in contracts from local currencies to the euro.

MEASURING THE EURO'S IMPACT ON YOUR BUSINESS

"The first thing a company must realize is that the changeover to the euro has a multi-functional impact," observes Robert Baldoni, a partner with Ernst & Young Limited Liability Partnership. "It will have an impact on finance, banking, accounting, marketing and sales, purchasing, distribution channels, human resources and systems, to name but a few. With this in mind, the conversion process itself poses a challenge to management process to manage the individual effects."

Peter van Dijk, an international tax lawyer with Ernst & Young in Toronto, advises companies to 'prepare for the worst.' They should assess the risks," he advises, "rather than predict the outcomes."

Several risks can be defined, he says, including:

- legal risk (focusing primarily on the validity of contracts);
- market risk (including pricing strategies and policies);
- tax risk (the application of capital gains taxes, for example, when companies convert a local currency into euros).

Along with risk, however, come rewards. "An obvious benefit for Canadian business is that it will be far easier to track the value of the new currency, as compared to tracking individual exchange rates for all 11 participating countries,' says foreign exchange consultant Barry Davenport, president of Barry Davenport and Associates, Inc. in Toronto. "Companies operating in EMU member countries can also reduce the fees involved in foreign-exchange transactions, since they will need to conduct transactions in only one currency rather than 11. Accounting procedures will eventually become easier for companies operating in Europe, since they can use a single euro bank account. Operating in only one currency, companies can also manage more easily their borrowing and hedging activities."

At the same time, price transparency throughout the EMU countries will lead to greater uniformity in pricing their goods and services, unless a company can justify higher prices with enhanced service or local circumstances. As a result, the

EURO FACTS

Population of 11 EMU nations	290 million
EMU's share of global output	18%
EMU's share of global exports	20%
Number of members of European Parliament	626
EMU unemployment rate, 1998	10.6%
EMU inflation rate, 1998	1.4%
EMU GDP growth rate, 1998	2.7%
EMU GDP per capita	$20,188 US
EU imports from Canada	$17.8 billion Cdn
Canadian share of EU imports	2%
EU exports to Canada	$25.4 billion Cdn
EU share of Canadian imports	10%

Sources:
The Economist (www.economist.com)
Delegation of the European Commission in Canada (www.eudelcan.org)
Statistics Canada (www.statcan.ca)
Department of Foreign Affairs and International Trade (www.infoexport.gc.ca)
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cost of some goods and services in certain markets can be expected to fall.

More efficient industrial production in Europe could also lead to longer business cycles and a more stable and predictable pattern of growth, says Davenport, which would support Canadian exporters of primary products. "Secondary industries will be faced with greater competition from European competitors," he says, "and will continue to be vulnerable to exchange rate movements in the Canadian dollar—that is, if it ever should rise in value."

OPPORTUNITIES FOR CANADIAN BUSINESSES

For Canadian companies that conduct business outside the country, Europe has become the second-largest market after the US. In the last five years, Canadian exports to Europe have increased by more than 130 per cent, and the value of two-way trade between Europe and Canada has risen to more than $43 billion.

"Canadian companies sell traditional commodities and resources to Europe, but also new technology and new-economy products," says Sergio Marchi, minister for international trade in Ottawa. "So our trade with Europe is not only substantial, it's also diversified."

The euro will encourage even more activity between Canada and Europe by reducing costs for Canadian firms doing


Hon. Sergio Marchi

business in Europe, providing greater price transparency among the 11 countries that have adopted the euro and reducing market volatility. "This will be good for Canadian companies, and especially smaller ones," he says.

Marchi says the federal government will take several steps to take advantage of Europe's new currency.

- In June, the prime minister will lead a delegation of Canadian businesspeople from such industries as telecommunications, software and agri-food to Ireland to seek opportunities for Canadian exporters and multinational firms.
- Under a government-wide initiative called Team Canada Inc, the 20 departments in Ottawa that are involved in international trade must coordinate their activities with each other, so that a company can learn about all government programs relevant to a European country from a single source.
- The governments of Canada and the European Union along with the private sector will try to build relationships between small and medium-sized enterprises (SMEs) in Europe and Canada. Canada's trade commissioners in Europe will play a critical role in this initiative, Marchi says.
- Marchi plans to increase the numbers of trade commissioners posted throughout the world, including Europe, to reinforce the quality of service provided to Canadian companies doing business in European countries. "Trade commissioners are vital," he says. "More than 90 per cent of all new Canadian exporters to Europe say they rely on our trade commissioners for information and assistance."
- The Export Development Corp. has also focused more of its efforts on SMEs, Marchi says, providing export financing and other support for small companies venturing into European markets.

"Ultimately," Marchi says, "I'd like to see Team Canada visit Europe to promote European investment in Canada. I'd like to build awareness among companies planning to set up shop in North America that they should look at Canada. After all, history makes Europe and Canada friends. Commerce makes us partners."

THE EURO-SKEPTICS' OUTLOOK

Although no one doubts that the euro will have an immediate and significant impact on trade, investment and finance, some critics question whether the EMU will work over the long term. John McCallum, for example, chief economist for the Royal Bank, predicts that the euro will be "a strong and volatile currency." But he cautions that European countries may find it difficult to abide by the rules laid down for inclusion in the EMU. "In Europe, there's little mobility between one country and another, and there's no fiscal federalism," he says. "The rule restricting national deficits to less than three per cent of GDP, for example, could lead to tax increases, and it's questionable in any case whether the rule is enforceable at all."

Les Halpin, chief executive of Integrity Treasury Solutions in London, says that the next recession will test the staying power of the euro and the EMU. "There will be different levels of recession in different countries, with rising unemployment and pressure on budgets differing from one country to the next and the measures taken to deal with these problems differing as well. It will test how well EMU governments work together while dealing in their own way with their domestic issues. How will countries cope, for example, if one country raises interest rates at a time when another wants to cut them? One size fitting all in a non-federal state is hard to maintain."

Skepticism aside, the euro is a fact that Canadian companies will have to address. Ultimately, the euro will affect everything from legal contracts and marketing plans to packaging, software programs and accounting systems. "The question that must be asked," says Baldoni, "is whether your company is prepared to do business in this new environment." ■

THE EURO'S IMPACT ON PRICES

In local currencies throughout Europe, a 1.5-litre bottle of Coca-Cola sells for widely varying prices, as the following table shows. Priced in euros, these discrepancies will become immediately apparent and should disappear.

	PRICE IN LOCAL CURRENCY		PRICE IN EURO
Belgium	BEF	48.00	1.22
France	FRF	6.50	1.02
Germany	DEM	3.02	1.57
Ireland	IEP	0.93	1.19
Italy	ITL	2460.00	1.29
Portugal	PTE	199.00	1.02
Spain	ESP	125.00	0.77
UK	GBP	1.09	1.36

Source: ABN Amro and Ernst & Young



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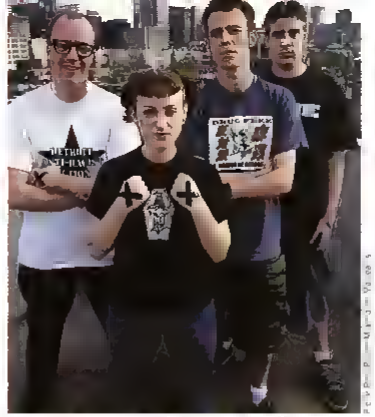
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Johnson (front) and Straight Edge friends in Montreal. 'I am interested in making political change'

braced the philosophy two years ago. Straight Edge, she says, helps her stay focused both personally and professionally. "There is a Buddhist saying that when the cloudy pool of water settles, it becomes clear," she says. "That is such a metaphor for my life."

Experts trace the origins of Straight Edge to the late-1970s among teens at punk concerts in New York City and Washington. At first, it had no name, only a symbol. To alert bartenders to underage drinkers, bouncers and doormen would mark teens' hands with an X and it became a mark of their sobriety and their common cause when they were legally allowed to drink, many opted not to. The term Straight Edge was coined in 1981—it was the name of a song written by Ian MacKaye, lead singer of the band Minor Threat. The basic tenets—abstinence from alcohol, drugs, cigarettes, casual sex and even meat-eating—gained momentum among kids looking for guidance in a world with few signposts, says Robert Wood, a sociologist at the University of Alberta who has studied and written about the subculture for five years. "It was a reaction to the liberal attitudes towards drinking and promiscuity of the 1980s," says Wood.

Bif fits that description. She straightened out following a string of bad relationships fuelled by alcohol abuse and, earlier, a dangerous, six-month "flirtation" with heroin that nearly killed her. She had heard about Straight Edge from listening to punk-rock music. "I just continued to make bad decisions and have poor judgment when I drank," said Bif. "It became clearer and clearer to me that this is what I needed to do."

Mike Long and Ryan Fukunaga, 18-year-old high-school students in Toronto, opted for Straight Edge after watching their friends get drunk at parties. "These kids were so cool, doing their homework and nice things for mommy and daddy during the week, then on the weekends they would go to parties and get drunk and stoned," said Long, who has abstained for four years. "It's a cop-out." Long and Fukunaga say that by living clean, they are more aware of the bigger issues affecting the world around them. "People aren't paying attention to what is happening in the world," Fukunaga says, then adds: "Staying clean, you can be a more functional member of society."

Except for outspoken musicians like Bif, Straight Edge remains more or less unnoticed and underground. Devotees find out where and when bands are playing through fanzines, flyers posted at alternative music stores and on Straight Edge chat lines and Web sites. Some concerts are held in the basements of suburban homes. Straight Edge bands such as Better than a Thousand and Kill the Man Who Questions often perform alongside other punk-rock bands at community halls and small clubs. "Straight Edge is growing but it's still not a huge movement," said Keeley Nadolny, a 16-year-old Straight Edger from Streetsville, Ont. "So I have to find the music wherever I can."

In some regions, however, Straight Edge is considered to be a dangerous subculture. In Utah, some devotees are being investigated for 40 cases of arson, vandalism and assault, including the torching of a fast-food restaurant. Police have placed Straight Edgers on a list of potentially troublesome groups to watch out for leading up to the 2002 Winter Olympics in Salt Lake City. That is in reaction to the fact that a few Edgers are militantly intolerant of non-believers. Andrew Moench, a 19-year-old from Salt Lake City, has been charged with murdering a 15-year-old youth who, police allege, did not respect Moench's Straight Edge point of view. "I've got to die some time," Moench told the U.S. network TV show *20/20*. "I might as well be dying standing up for what I believe in. If it resorts to violence, yeah, then I don't have a problem with that."

Some observers blame the violent intolerance on incendiary punk-rock lyrics that rage against the moral decay of society. *In My Way*, by Judge, includes the lyrics, "Those drugs are gonna kill you if I don't get to you first." And in *Words of War*, the band Raid issues the warning, "Our war is on, the talk must quit, and all the guilty are gonna get hit." "There is a small minority," says Wood, "who take these beliefs—veganism, living straight—to the extreme of blowing up a lab in the name of animal rights or beating someone up who doesn't adhere to the same value system." But most of the Straight Edge teens interviewed by *Maclean's* distanced themselves from the violent factions. Many, in fact, embrace the pacifist teachings of Eastern religions. "I don't like the hardliners who beat up people, and I don't like the kids who just do it because they want to fit in," said Shannon Elliott, a 21-year-old from Victoria. "It's not about that. Straight Edge is about exploring options and more meaning in life."

That sentiment is echoed by Lauren Johnson, a 21-year-old sociology student at McGill University in Montreal. Johnson, originally from Thousand Oaks, Calif., says she smoked and drank until she was 16. She turned to Straight Edge following an incident in which she was sexually assaulted while drunk. Now, Johnson maintains an A average at McGill, writes *Regulate*, a fanzine about Straight Edge and hard-core music, and plans to attend law school. "I am lucky to find a culture that shares my beliefs and music and other voices that are coming from the same place as me," said Johnson, adding: "I am really interested in making political change in my lifetime, and I can't do that while under the influence of drugs and alcohol." m

Flight from Terror

Amid glimmers of peace, Kosovo refugees land in Canada

By Tom Fennell

Behar Thyseni pulled on his black-and-red nylon track suit, stood in the door of the Second World War aircraft hangar and peeked out at Canada. The day before, the brown-haired 14-year-old from Kosovo had been living with his parents in a squalid, overcrowded refugee camp in Macedonia. He was flown to Canada along with 246 of his countrymen to Canadian Forces Base Trenton, and then bused to an old air force training centre that had been turned into a massive dormitory. Now secure in Canada, Thysen seemed to forget the war raging in Yugoslavia for a few moments as he stepped outside into the brilliant sunshine. He smiled at first, but when Thysen tried to talk about the violence he had seen, a deep sadness filled his brown eyes. Wordlessly, he turned and walked back into the dark redbrick hangar.

Kosovo's bottors may weigh hardest on the children. As their parents spoke quietly outside their cavernous new home 165 km east of Toronto, the refugee kids, a few still in pyjamas, turned the paved parking area into a playground. Some pushed teddy bears in strollers they had been given by Red Cross volunteers. Others skipped rope and kicked a soccer ball. Demis Leskovci, 12, and his brother, Emis, 10, sporting new buzz cuts and dressed in summer shirts and short pants, stopped playing just long enough to mug for a photographer. When Demis, who spoke in halting English,



Ian Kirchner—Military Digest Review



Demis Leskovci helps another boy fly the Canadian flag at Trenton, arriving at Greenwood (left): delight—and sadness

was asked if he was happy to be in Canada, he raised his thumb skyward and beamed. But his smile melted away when he tried to talk about his grandfather. Finally, his green eyes filled with tears. "Massacre," he said, dropping his fist through the air.

The first airlift of refugees who had fled the war in Yugoslavia's Kosovo province began last week with the chartered Royal Airlines Airbus A-310 that brought Behar and Demis to Canada. Most arrived with a few dirty clothes, tales of unspeakable terror, and a determination to return and rebuild their shattered lives. Over the next three weeks, nearly 5,000 people are expected to be airlifted to CFB Trenton and CFB Greenwood in Nova Scotia's Annapolis Valley. From there, they will be transferred to other military bases in Ontario and the Maritimes where they will be housed until they either integrate into Canadian communities across the country—or return home to peace.

That prospect grew a little after the outline of a peace plan emerged from a meeting in Bonn of foreign ministers of the Group of Eight countries—which include Yugoslavia's closest friend, Russia. Although Moscow had long opposed military peacekeepers in Yugoslavia, it agreed that "effective international civil and security presences"—meaning military forces—could be deployed in Kosovo as part of a deal. But if peace does not come soon, the United Nations may ask Canada to take a larger number of refugees in the coming weeks—something that Immigration Minister Lucienne Robillard says Canada would be more than willing to do. The decision to airlift 85,000 Kosovars to 32 countries outside the immediate region—including Canada, the United States and even Brazil—was an indication of how terrible conditions have become in the refugee camps in Macedonia, which now house almost 200,000 people. Some have only one toilet for every 200 people.

In early April, Ottawa had announced that 5,000 would be coming, but then abruptly cancelled the airlift. The reason: by relocating the refugees, NATO countries feared they would help Yugoslav President Slobodan Milosevic achieve his goal of ridding his country of its Albanian minority. But with the overcrowded conditions threatening outbreaks of disease, and the Macedonian police using batons against women and children to force them back across the border into Yugoslavia, the UN high commissioner for refugees asked governments around the world to finally begin the airlift. Louis Gentile, a UN field worker in Macedonia, told *Maclean's* the country's treatment of the displaced Kosovars was an affront to international humanitarian law. "It's outrageous," said Gentile, "a disgrace." Macedonian officials countered that they were not getting adequate international help with an influx that threatens the delicate ethnic balance of the Slav-dominated country.

Most of the new arrivals in Canada appeared to be in good health and were clearly happy to have left the camps in Macedonia behind. As he stepped down from the plane at Trenton, one young boy threw his arms around the neck of Lt.-Col. Mark Sellars, moving the veteran of Bosnian peacekeeping missions close to tears. Other children high-fived with the unarmed soldiers who lined the runway. One old man, who had to be helped down the steps of the airliner,

The global refugee airlift was an indication of how terrible conditions have become in the refugee camps in Macedonia

proudly saluted and shook hands with a soldier

Within minutes of landing, their health was assessed and they were then driven to their new home—a hangar that until a few weeks ago housed almost 30 obsolete jet trainers. Hundreds of green cots were laid out in rows with new pillows and blue blankets folded neatly at the foot. Dr. Colin Harwood of Health Canada, who heads the medical team at Trenton, said most of the refugees were in remarkable condition, considering their ordeal. "A lot of them are farmers," he said. "They are pretty sturdy folk." Three psychiatrists were also brought in to assess their mental state, but Harwood said it was too soon to determine if any were suffering from post-traumatic stress.



Lumnije and Flamur Kadriu in Toronto: escaping a climate of fear

Ghasije Shehu, a 16-year-old high-school student from the Kosovo capital of Pristina, was certainly suffering from mental stress. Unable to speak in English, she fell into the arms of a Red Cross volunteer and broke down. Later, she produced a drawing that graphically detailed her nightmare. "My house," she said, pointing to a building in the drawing that was in flames and under fire from Serbian tanks.

Nexhat Reka, 19, had no such trouble explaining what had happened to his family. Soldiers, he said, had kicked open the door of his home near Pristina in early April and ordered his family to leave immediately for Macedonia. They had good reason to be afraid. His older brother had disappeared and was later found dead, said Reka. He punched the air with his fist to indicate his brother had been stabbed to death, and said sadly: 'We have graves in Kosovo."

The journey to Canada for so many of the refugees began in a violent confrontation in their living rooms with Serbian police and soldiers. Sami Ademi, who arrived in Trenton with 15 of his relatives, owned two clothing shops in Pristina. He was making a comfortable living for his wife and four children when the soldiers pounded on his door in late March. When he opened it, armed troops barged in and ordered the family to immediately pack up and leave.

They spent the next few nights with friends in another part of the city, but soon a terrifying knock rattled that door as well. This time, they were ordered to go to Macedonia. The family then began the dangerous 150-km march to the border—along a route they hoped had not been mined by soldiers. Last week, as Ademi waited patiently to be processed into Canada, he said he would never again be able to live in Kosovo with his Serbian neighbours. "Relationships," he said, "have been destroyed."

Despite the horror, Ademi still hopes to return home. "I want to see if I have something there," he said. "I want to do something." For now, he just hopes to see his younger sister Sadete, who moved to Toronto in 1995. She told *Maclean's* that other members of her family were also driven violently from their homes, including her father and sister. The family had gathered at her father's home in Pristina on the morning of April 5. "The police came and they heard a lot of shooting," said Sadete. "My family was on the balcony of their apartment and one of their neighbours, a friend who lived close by, was shot by a sniper." Fearing that the women would be raped by the soldiers, the family fled. "They went in sandals,' said Sadete. "They did not even have time to put on their shoes and jackets."

Ahmet Konjun, who landed at Greenwood with his wife, his 80-year-old mother and five children, was turned out of his home on April 4 by Serbian military police. Everyone in the town of 1,300 was assembled in the streets by the heavily armed soldiers and told to leave for Macedonia at once. "I am not very happy to be here," said Konjun. "Nobody wants to leave their homeland."

More Albanians are arriving in Canada under the government's family reunification program. Among the 60 or so who have come so far are Flamur Kadriu, 31, and his 29-year-old wife, Lumnije, who last week spent their first days in the country in a downtown Toronto hotel, helped by an aid group. Expecting their first child in three months, Flamur, a veterinarian, and Lumnije, a journalist, fled Pristina amid an intensifying climate of fear. In late March, Lumnije said, Serbian authorities began cutting the power at 5 p.m. every day. At night, cars full of armed and masked men patrolled the streets, setting fires, detonating explosives and looting stores. "We were afraid to sleep at night," said Lumnije. They drove to Macedonia in a convoy on March 30, and spent four cold, rainy nights stranded at a border crossing with thousands of refugees before being admitted. After staying with friends in Skopje, they came to Canada. "People have been very kind to us here," Lumnije said. "But we hope we are going back some day."

How soon will that be? Even as NATO stepped up its bombing of Serbia last week, there were signs that a deal on Kosovo may be slowly taking shape. The G-8 meeting in Bonn brought together the representatives of six leading NATO countries—the United States, Canada, Britain, France, Germany and Italy—plus Japan and Russia. Their agreement on "general principles" for a political solution calls for the removal of Yugoslav troops from Kosovo, the establishment of an interim administration under the auspices of the UN Security Council, and the return of all refugees. A peacekeeping force supervised by the United Nations, and possibly incorporating Russian and Ukrainian troops, would be deployed to guarantee the safety of the returning refugees. All of this was to be endorsed by the Security Council. But NATO did not help its cause late last week when its bombs hit the Chinese Embassy in Belgrade and a hospital in the southern city of Nis. NATO Secretary General Javier Solana called the bombing "a deeply regrettable mistake." An emergency meeting of the UN Security Council was held in New York City. China, a fierce opponent of the campaign against Yugoslavia, holds a UN veto.

Russian special envoy Victor Chernomyrdin was set to present the G-8 proposals to Milosevic this week. But the exact makeup of the Kosovo force is a major stumbling block. In public, at least, Milosevic has accepted only the presence of a lightly armed group of UN peacekeepers made up of non-NATO soldiers. The G-8 agreement did not specify that NATO troops must be involved, but U.S. Secretary of State Madeleine Albright was among several ministers who insisted that it meant "a strong military force with NATO at its core."

The thousands of refugees flooding into Canada could only hope the G-8 initiative would eventually bear fruit. "As soon as possible," said Konjun, "I want to go back to Kosovo." For now, however, the crisp confines of a Canadian military camp will have to do.

With D'Arcy Jenish in Toronto. Richard Dooley at CFB Greenwood and Paul Wood in Skopje



Leaving the burning Chinese Embassy in Belgrade: dismay

Trauma and flashbacks

An 83-year-old Kosovo Albanian woman stumbles through one of the frequent dust storms swirling around the United Nations' Brazde relief camp in Macedonia, where wind and stifling heat threaten to add a new dimension of misery to the already hellish overcrowding suffered by refugees. Two weeks earlier, the woman saw her husband and son shot dead in front of her. She still has flashbacks so intense that she believes herself back in her Kosovo village. Each day, she comes for counselling at the row of tents that house a special clinic run by the aid agency Doctors Without Borders.

"We hold her hand, calm her down and reassure her that she is not in Kosovo, she is in Macedonia, safe," says Susan Prosser, an agency worker from Victoria. The clinic sees 50 to 60 psychiatric cases a day, refugees suffering from post-traumatic stress syndrome. In the worst cases, people can have flashbacks every five minutes, flailing their arms and shouting, unable to forget the war or even realize they have left it.

Sudden noise—the slamming of a car door, the flapping of a tent—is enough to send some refugees back to Kosovo in their minds. The counselling helps, but it, too, is mentally and physically exhausting. Refugees are seen walking away, supported on each side, some with tears in their eyes. "It's the loss, it's the question 'Why?'" says Prosser. "It's trying to regain some meaning to their lives and not knowing where they are going, where their loved ones are."

The horror tells on the aid workers as well. Like many, Prosser, 42, has an eclectic background. She ran her own business, did volunteer work and even helped out on the Whitbread round-the-world yacht race. This varied experience helps her cope, but no one could be unaffected by the stories of atrocity. "It does affect us," she says. "But we all have time out. We have meetings to see how we are getting on. It is hard. Sometimes I do cry."

Paul Wood *in Skopje*

Bye-bye, Bibi?

Labour's Barak leads Netanyahu as election day nears

Yaaba Lifschitz and Yossi Gozlan have never met. They probably never will. Lifschitz is an unemployed, 67-year-old choreographer who moved to Israel from Russia nine years ago and lives in one shabby room in a Jerusalem immigrants' hostel. Gozlan, an ambitious building contractor, was born in Morocco, but has lived 44 of his 45 years in the Negev Desert capital, Beersheba.

What they have in common is that they voted for Binyamin (Bibi) Netanyahu in the 1996 elections and now say they will defect to his Labour challenger, Ehud Barak, when Israel goes to the polls on May 17. If enough of their compatriots in Israel's two biggest ethnic blocs swing with them, Netanyahu's three-year, hardline reign will come to an end—and the Middle East peace process could change dramatically. A series of polls last week showed Barak ahead by as much as 12 percentage points, and his lead seemed to be growing.

The half-million immigrant voters who, like Lifschitz, surged into Israel from the imploding Soviet empire in the 1980s and '90s account for 14 per cent of the total electorate. The Sephardis—Jews like Gozlan who arrived four decades earlier from Morocco and other Arabic-speaking countries—represent about 40 per cent. Both communities voted overwhelmingly for Netanyahu and his right-wing Likud bloc last time. Since the upheaval of 1977, when Likud's Menachem Begin ended 29 years of continuous Labour rule, Israel has known no broad political swings. A slight shift is enough to put the left or the right in power. Three years ago, Netanyahu defeated Barak's peace-oriented Labour predecessor, Shimon Peres, by less than one per cent, barely 30,000 votes. Pollsters say marginal defections could make the difference this time, too.

Disaffected Russians like Lifschitz seem the best hope for Labour's Barak. A muscular, barrel-chested ex-dancer, Lifschitz made his name with the famous Kirov Ballet in Leningrad. But he says he is having a hard time paying the hostel's $305 subsidized rent each month with the pittance he earns teaching youth-club ballet classes. "Bibi did nothing for new immigrant talent," he says. "I came here eager to create great things for my new homeland, but all I found was hostility." Polls have shown a sharp slide in Russian support for Netanyahu in the past month.

Beersheba's Gozlan is angry about factory closures and rising unemployment in development towns like his. "Bibi's economic performance has been catastrophic," he says. Most Sephardis still feel estranged from Labour and its European-descended elite. Yet they share the widespread disillusionment with Netanyahu. Moroccan-born political writer Daniel Ben-Simon says Netanyahu could lose in Likud's Sephardi strongholds "not because people there will vote Barak, but because his own people will stay away."

Netanyahu may be down, but he is not yet out. Urged on by his predatory American campaign strategist, Republican consultant Arthur Finkelstein, he went on the offensive at the beginning of May, talking up ethnic divisions and using TV ads showing buses blown up by Palestinian suicide bombers when Peres was in power. But the strategy made little impact. Netanyahu's very success in reducing terror attacks has cooled such anxieties. Coached by his equally aggressive American adviser, Democrat James Carville, Barak calmly continued to parade his record as Israel's most-decorated war hero and to focus on social and economic issues.

Pundits had long predicted that no prime ministerial candidate would get a majority on May 17, leading to a runoff between the top two on June 1. But the widening gap in the polls increased the prospect of a sudden-death first round. Pressure intensified on the three minor candidates—centrist Yitzhak Mordechai, right-winger Benny Begin (Menachem's son) and Arab contender Azmi Bishara—to pull out of the race. Under Israel's two-tier system, voters can endorse one man for prime minister, then indulge a narrowly based party—religious, ethnic, single-issue—for the Knesset. That means the next government will likely be a polyglot coalition drawn from many of the same parties, whoever wins. The real difference—especially on peace issues—will be the tone set by the man at the top.

Eric Silver *in Jerusalem*





Barak, the prime minister (top): the prospect of a sudden-death first round



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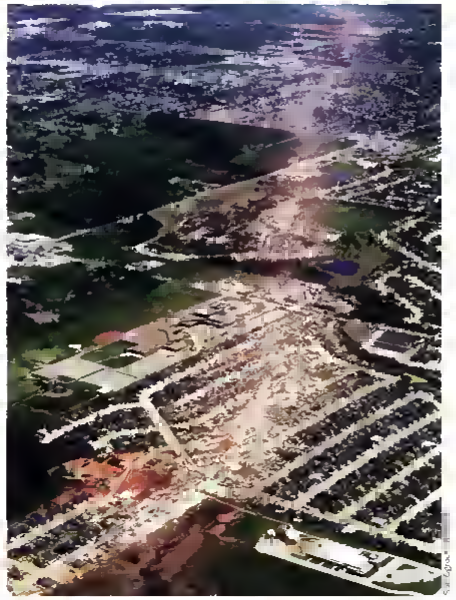
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Tragedy in the wind

Shaken residents were picking through massive piles of rubble late last week after a ferocious series of tornadoes left a trail of destruction that stretched from southwest Oklahoma, up through Kansas and into western Tennessee. Dozens of class F-5 tornadoes, the most powerful category with winds up to 418 km/h, left at least 46 people dead and more than 500 injured. Many residents told tales of horror. In Grady County outside Oklahoma City, the howling winds sucked Robert Williams' daughter, son-in-law and baby granddaughter out of a closet where they had taken shelter. Williams' wife died in his arms after a trailer smashed into the closet. But a sheriff's deputy later found the baby, caked with mud, alive in debris at the base of a nearby tree. Ten-month-old Aleah Crago was reunited with her injured parents in hospital.

Even in an area so famous for twisters that it is known as Tornado Alley, residents said the damage was the worst in memory. Entire rows of homes were flattened, cars were crumpled, and power lines and trees lay in heaps. Officials calculated that more than 18,000 homes were damaged or destroyed. Cost estimates soared past $700 million.



Path of destruction in Oklahoma City, consoling a granddaughter in Midwest City, Okla. (top); worst in memory

Jenny Jones held liable

The family of a gay man who was murdered after a taping of the *Jenny Jones Show* was awarded $25 million (U.S.) by a Michigan jury in a decision that has implications for tabloid TV practitioners. In 1995, Scott Amedure described to Jones his sexual fantasies about Jonathan Schmitz, a heterosexual who appeared on the same show. Three days later, Schmitz, who had a history of mental illness, shot Amedure. Although the segment was never aired, the jury found that the surprise confrontation "did everything but pull the trigger."

Ng faces death

The California jury that convicted Charles Ng in February of 11 counts of first-degree murder recommended that he be executed. Ng, an ex-marine who took part in a killing spree in 1984 and 1985 near San Francisco, spent six years in Canada fighting extradition to the United States. The jury's recommendation is not binding, but it would be unusual for it to be ignored when Ng is sentenced on June 29.

Slepian murder charge

U.S. officials issued a warrant for the arrest of fugitive anti-abortion activist James Kopp, 44, for the October murder of Dr. Barnett Slepian. The Buffalo-area physician was the first North American abortion doctor to be killed by a sniper's bullet while in his home, after four others had been similarly attacked since 1994. Canadian officials confirmed that Kopp is the principal suspect in attacks in Vancouver, Winnipeg and Hamilton.

East Timor pact

After almost a quarter century of bloodshed in the former Portuguese colony of East Timor, Portugal and Indonesia signed an agreement at the United Nations allowing Timorese to vote on whether to become independent or accept autonomy within Indonesia. Fears remain that armed factions on both sides could disrupt the Aug. 8 vote.

Scarves in parliament

A member of an Islamic party who arrived for the opening of the Turkish parliament wearing an Islamic headscarf touched off a storm of protest, including calls for her party to be banned. Turkey has strict laws against mixing religion and politics, and religious dress is not allowed in offices and schools. MP Merve Kavakci insisted she would not remove her scarf.

Britain's new distinct societies

Tony Blair's Labour Party emerged as the big victor in historic British elections creating the first Scottish Parliament in close to 300 years and the first Welsh assembly in almost 600. While Labour won power in both new forums, however, it did not manage to gain a majority in either. As a result, it is almost certain to be forced into coalition governments in Scotland and Wales, yet another new twist in the precedent-setting votes dubbed the "super Thursday elections" by the British media. The Liberal Democrats are Labour's most likely partners, both in the 129-seat Scottish Parliament in Edinburgh and the 60-seat Welsh assembly in Cardiff. Nationalist parties will form the opposition. Labour Leader Donald Dewar will have 56 seats at his command, against 35 for the separatist Scottish National Party, 18 for the Conservatives, 17 for the Liberal Democrats, one for the ecological Green party and two for Independents.



Dewar, Scottish victor

Unlike the SNP, the Welsh Plaid Cymru party did not campaign on a platform of independence for Wales. But it surprised the experts with a late surge at the polls. The Welsh nationalists took 17 seats in the assembly, compared with 28 Labourites, nine Conservatives and six Liberal Democrats. In the wake of the vote, politicians from all parties were claiming victory, even William Hague's Conservatives. Super Thursday's elections also involved local council votes across the country, where the Tories regained nearly 1,500 of the 1,885 council seats they lost in the last elections. But for Blair, the vote was a victory for the United Kingdom. "In Scotland," said the British prime minister, "the majority of the people voted against independence and that has strengthened our union."



A pig in a palm

From the barn to Bay Street, tiny computers are red hot

John Kleinsasser is not the usual early adoptet of high-tech gadgets. Kleinsasset is a pig farmer from Jennet, a small Alberta town about 110 km northeast of Medicine Hat. A Hutterite, he does not own a television or even a radio because his religion forbids the use of technology to entertain. But each day finds him in the pig barn, equipped with a Palm III, a small handheld computer that is increasingly cropping up in the most unlikely places, from hospital wards to restaurants to pig barns. Kleinsasset uses the device to keep track of the 270 breeding sows and 16 boars that the Hutterite colony keeps, and he loves it. The little computer saves him about half an hour a day and allows him to do most everything a pig farmer must do, from keeping track of vaccination schedules to figuring out when each sow is ready to breed. "I've been waiting for years for something like there is on the Palm," he says.



Kleinsasser uses his Palm III at the Hutterite colony—data at the fingertips



Kleinsasser's enthusiasm is far from unique. After years of false starts with so-called digital assistants—such as Apple's Newton—that won notice for good ideas and terrible execution, the Palm series from California-based 3Com Corp. has single-handedly created a market for the small, powerful and simple little machines that keep track of addresses, schedules and to-do lists but can also be equipped with a wide range of other software. It's a market becoming ever more crowded with competitors hoping to ride a new wave of computing-to-go. "They created the category," says Jill House, an analyst with International Data Corp., a high-tech research firm based in Framingham, Mass. "They finally found the design, the price and the features that people really wanted," Michael Moskowitz, the sales and marketing manager for 3Com Canada Inc.'s Palm computing division, sums up the recent success. "We hit the sweet spot."

Since the introduction of the first Palm model in 1996, 3Com has sold about three million of the devices. In Canada, the various Palm models command 72 per cent of the market, says Dave Armitage, an analyst with Evans Research Corp. of Toronto.

So what's the fuss about? Priced at about $450, the Palm III—the most popular model—is literally a palm-sized, 150-g gadget with a screen measuring eight centimetres by six centimetres. The basic model comes with two megabytes of memory, enough for 6,000 addresses and more than two years' worth of appointments. There is no keyboard. Instead, the owner enters information by scribbling letters on the screen using a modified alphabet called Graffiti (which takes some practise). As well, information can be shared with a desktop computer at the touch of a button, more complicated information can be typed on the computer and downloaded to the handheld machine.

With the right accessories, the Palm can be used as a pager, bar-code reader, a geographic positioning device, or can be equipped with an add-on keyboard and modem. Diabetics can use the machines to keep track of glucose levels, and nurses can use them to record patient information that can be transferred to a hospital's computer system. Naturally enough, a wide variety of games is also available.

Kleinsasser uses a program called PigPad—a database of all things pork—which is shared with a piece of software called PigWin running on a desktop computer. In the barn, each sow has a tag in its ear with an identifying number. Kleinsasser enters the number in the Palm and, voilà: "In a second it's all right there, their life histories on the screen." Coming soon, a new application called PigGain will allow him to track what feed his pigs are getting. "It will give us better information on what our herd is doing in the barn," he says.

The booming market in computers that fit the palm is attracting attention from other companies, including Bill Gates and Microsoft Corp. Casio Inc. and Philips Electronics NV are among the firms making comparably priced handhelds running Microsoft's Windows CE—a slimmed-down Windows.

New competitors will eventually be able to win market share as Microsoft improves its operating system, analyst House believes. But so far, she says, Palm has managed to stay in front. "They're still the pony to bet on." Or, as Kleinsasser might see it, the pig to beat.

By Warren Caragata
(caragata@macleans.ca)

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chatelaine



The cowboys of commerce

Move over fat cats. Discount stockbrokers have their keyboards loaded to corral the deals

By Kimberley Noble

At first glance, Steven Reid does not look like a driving force behind one of the biggest investment deals in Canadian business history. He looks, quite frankly, like a cross between CTV talk show host Mike Bullard and Ohio comic Drew Carey who was dressed by the Gap. Silicon Valley's boy geniuses notwithstanding, this blue-collar teddy bear of a guy does not fit the picture of a man at the epicentre of high finance.

Just look at where he works—on the fourth floor of a suburban office complex 20 minutes north of the Toronto business district, in a building best known as the place where commuters catch the York Mills bus or the subway downtown. He spends the day slumped in a swivel chair, staring at a computer monitor. Once or twice a minute, all day long, Reid reacts to an electronic prompt, punches some keys and, in the blink of an eye, scans what pops up on his screen. *Tap-tap-tap*, he punches more keys. Sits back. Swivels. Seconds later, he reacts to the next prompt and starts the whole process again.

Not your idea of a mover and shaker? Look again. Reid is a discount broker for Toronto Dominion Bank's Green Line Investor Services, the largest cut-rate investment dealer in Canada. When combined with TD's U.S. operation, it is the No. 2 discount brokerage in the world. Forget the fat-cat stockbrokers in their red suspenders and Brooks Brothers suits—they are fast becoming niche marketers. Discount traders—and the multimillion-dollar computer systems they are hooked up to—are the hot commodities in the investment industry. So what if Reid works over a bus station in the suburbs? Who cares if he never lunches clients? Brokers like him are fast and cheap to employ, cranking out as many as 400 trades a day for salaries that range from $28,000 to $45,000, plus bonus.

Phil Snel/Maclean's

Stock and bond discounters don't give advice and don't take risks; they are more cowhand than hired gun. But, with a few clicks of the keyboard, they connect their clients to practically every stock exchange in the world. They keep those trades moving along—for as little as $20 each. Occasionally, there are computer problems that annoy customers who are active traders. But system bottlenecks are also evidence of the phenomenal demand for these services. "Information about investing and the access to do it is growing all the time," says Steve Sparrow, the Toronto-based manager for Green Line's call centres. "More and more people are willing to make their own decisions. Our job is to provide the key information clients want, and to continue to make the whole process faster."

Growing pains aside, the system is working and these cowboys of the keyboard are suddenly worth a fortune to their firms. Fuelled partly by the huge demand for anything that resembles an Internet stock and partly by analysis of where the investment industry is headed, the market value of brokerages that combine low-priced labour and high-tech equipment has hit the stratosphere.

Charles Schwab Co., the industry's pioneer, is worth $61 billion on the New York Stock Exchange, $19 billion more than the much larger and more profitable Merrill Lynch & Co. Inc. Similarly, on the strength of its discount brokerage, the stock market now views TD—nicknamed "TD.com"—to be worth $825 million more than the Royal Bank of

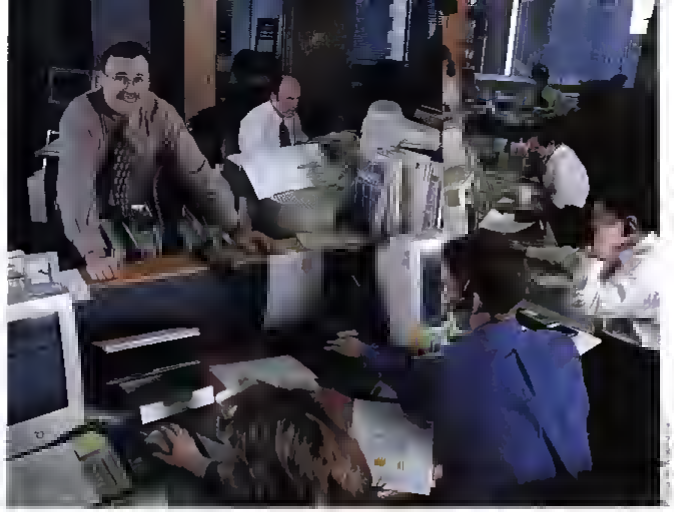
Sparrow at a Toronto Green Line centre fending off system overloads and duking it out with the big American rivals

TD saw potential where others saw risk. It has been dubbed 'TD.com.'

Canada, even though TD has $92 billion less in assets than the Royal. Most telling of all is the price tag attached to TD's discount brokerage now that the bank has decided to sell 10 per cent to public investors. The share issue is expected to raise $1.5 billion—meaning the entire operation, to be called TD Waterhouse Securities Inc. and consisting of 200 branches in five countries, will be worth up to $15 billion.

In TD's case, the biggest problem with being so far out in front is that its brokerage is playing in the really big leagues—duking it out against titans like Schwab, which is setting up shop in Canada. Before too much longer, TD Waterhouse could even be competing against Merrill Lynch, if industry rumours are correct and Merrill chooses to buy an online discount broker.

For now, TD is golden. It is sitting on 50 per cent of the Canadian discount brokerage market (measured by client assets), which the bank estimates is nearly double that of its closest Canadian rival, Royal Bank Action Direct Inc. Green Line averaged 98,000 trades a day in the three months ending on Jan. 31, a 132-per-cent increase from a year before. It also made a profit of $31 million, more than three times what it cleared in the first quarter of 1998. What's more, the growing demand for discount services—and the speed and price at which TD has been able to provide them—made Green Line the biggest single retail broker in Canada in 1998. Its 18-per-cent share of this market surpassed that of long-established giants such as RBC Dominion Securities Inc., Nesbitt Burns Inc. and Merrill Lynch Canada Inc.



Bates and his staff in Charles Schwab Canada's Toronto office: moving north and taking aim at the full-service firms

The history of discount brokerage in Canada is synonymous with Green Line. Out of all of Canada's leading financial institutions, TD has been the only one to recognize the potential of what, even a few months ago, was being dismissed as a marginal and even risky business. In 1983, Ontario regulations prohibiting stockbrokers from competing on commissions were abolished, and then-TD president Robin Korthals decided to build a discount broker. "Robin is a brilliant visionary," says Paul Bates, a former Green Line president who now heads Charles Schwab Canada Co. "The decision was driven by his intellect, as well as by the fact that he was also an active investor."

The firm started small, buying the customer list from a little company called Equity Trading, and taking orders over the phone. For the next decade, the discount broker grew through acquisitions—starting with the purchase of a rival, Toronto-based Gardiner Group, and culminating with the 1996 takeover of Waterhouse Investor Services Inc. of New York City. TD officials were willing to bet the farm that the U.S. market was on the verge of a growth spurt. The bank paid $726 million for Waterhouse, recalls Dan Matinangeli, TD's senior vice-president of finance. "A lot of people were saying, 'Why are you doing this? That thing will never make you any money.'"

By last year, when TD decided to try to join forces with the Canadian Imperial Bank of Commerce, Waterhouse was a success—not to mention a key attraction for its potential merger partner. Throughout the merger debate, TD continued to close bank branches while expanding electronic services. This did not help its public relations campaign, but left TD shares in great shape when Ottawa turned down the bank unions. Then, "we got lucky," Matinangeli says. "Just as the mergers fell apart, Internet shares took off."

And so did discount brokerages. TD's Sparrow estimates that between 25 and 27 per cent of Canadian retail investors now use discount traders. Royal Bank's Action Direct is signing up 500 customers a day and spending $43 million to expand into the United States. "Green Line is growing so rapidly," says Mary Savona, a finance instructor at Toronto's George Brown College who also trains these new-wave brokers for the industry. "They don't have room to put new desks anywhere."

Driving the trend are advances in technology. Trades can now be made on high-tech gear ranging from laptops to pagers and cellular phones. In recent weeks, however, the technological revolution backfired. Unprecedented demand for both e-commerce stocks and Internet trading, combined with system problems, gummed up phone and computer lines at major online brokerages for 10 days in April. I Hate TD Green Line and other chat forums bristled with the indignation of investors who claimed glitches had cost them thousands of dollars.

Still, Action Direct president and chief executive officer Michael Bastian says technology shall overcome any setbacks. Suddenly, everyone with a computer has access to the type of investment research that used to only be available to pension fund managers. "It's the migration of what used to be the province of a few to the mass market," Bastian says. "Look at wholesale pricing and buying in bulk, the advent of Costco and other such stores. That's essentially what's happening here. Individual consumers are buying wholesale."

The discount brokers' current clients are middle-aged professionals choosing to make decisions for themselves rather than paying hundreds of dollars to add some stock or bond to their investment portfolio. Once they move out of the market, they will be replaced by younger investors who will be more computer and finance literate. "People in their 20s already have investment portfolios," says Bastian. "And their kids will use computers like you and I use the telephone."

There are still some clouds on the horizon. Today's keyboarding brokers are under intense pressure as new players emerge. In the United States, discount firms are in the middle of a price war that has driven commissions as low as $5 (U.S.) a trade. Schwab—which opens its first Canadian storefront in Toronto this summer and four more offices across the country later in the year—is responding by breaking new ground. Having staked out the discount turf, Schwab is venturing into full-service territory, offering customers different levels of investment advice and services, with a sliding price scale. "We are looking for investors," Bates says, "who are not afraid of technology, but who also like being able to bounce ideas off a broker and get guidance sometimes."

TD Green Line is limited in how far it can expand in this direction. The bank is already in the full-service business through TD Evergreen. However, Green Line—soon to be Waterhouse—is following a route similar to Schwab's. It sells a line of economical no-load mutual funds, and has set up a half-dozen or so "specialist desks" that provide value-added services. "Discount's looking beyond the boom," says Savona. "The brokers may not be able to offer advice, but they can do a lot to help customers maximize their profits on each trade."

Meanwhile, back on the trading floor, Green Line is trying to make the assembly line quicker and more efficient. Over the strenuous objections of full-service brokers, discounters are lobbying for an end to the "know-your-client" rules requiring brokers like Reid to review even the least contentious of trades—such as straight sell orders. "Can you imagine how many more orders those brokers will be able to process?" Savona asks.

Not really. It *is* hard to imagine brokers like Reid moving any faster—although perhaps no harder than remembering how his high-priced predecessors operated a decade ago. m

Discount trading on the Net

The steps a TD Green Line trade would take on the Web:

1 Picking the stock: A customer signs on to the WebBroker site, where financial information can be read. The client chooses the stock to trade, fills in an order form and logs in a password for the request to proceed.

2 At the brokerage: The transaction moves through servers, the Internet equivalent of phone switchboards. This is where bottlenecks may occur. The brokerage computer system directs the request to a broker at a call centre. (TD has six call centres across Canada. With the exception of Quebec, where orders have to be cleared locally, the call centres can handle requests from any place at any time.)

3 Going to market: The computer assigns the order to the next available broker, who calls up the client's file to verify the request matches the individual's investment objectives. Then he or she routes it to the appropriate stock exchange to be executed.

4 A done deal: The stock exchange confirms to the brokerage computer that the trade has been made. On the WebBroker site, the client can see the trade's status automatically change to "F" for filled. The cost? As little as 10 per cent of an identical full-service trade.

The discounter's cut

The range of fees discount brokerages would charge a customer buying 250 shares of a Canadian equity at $20 a share:

	Online fee	Broker-assisted fee
Bank of Montreal InvestorLine www.investorline.com	$25	$45
CIBC Investor's Edge www.investorsedge.cibc.com	$28	$47.50
CT Securities www.ctsecurities.com	$29	$47.50
Charles Schwab Canada www.schwabcanada.com	$37.50	$75
Disnat www.disnat.com	$29	$46.25
E*Trade Canada www.canada.etrade.com	$27	$42
HSBC InvestDirect Canada www.hsbcinvestdirect.com	$29	$43.50
Royal Bank Action Direct www.royalbank.com/actiondirect/	$29	$47.50
Scotia Discount Brokerage www.sdbi.com	$28	$35
TD Green Line Investor Services www.greenline.ca	$29	$47.50



Ross Laver

An 800-pound gorilla

High-tech is reputed to be a young man's game, but some of the old guys are faring quite nicely, too, thank you very much. Look at IBM, which was practically given up for dead several years ago but today is pumping out profits like nobody's business. They used to call Big Blue a dinosaur, but thanks to CEO Lou Gerstner the image is less that of a lumbering brontosaurus than a fleet-footed, hungry raptor.

A similar transformation is now under way at AT&T Corp., the original Ma Bell. Founded in 1885 as a subsidiary of the American Bell Telephone Company, AT&T grew fat and lazy as a consequence of its monopoly on local and long distance phone service. The reckoning came in 1984 when U.S. trustbusters compelled AT&T to spin off seven "Baby Bells," or regional phone companies, and open up the long-distance market to unrestricted competition. For years afterward, the company struggled to adapt, like a dowager queen forced to live among the commoners.



Armstrong: a high-risk gamble on cable

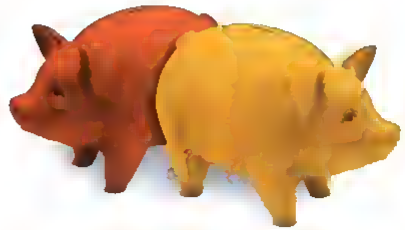
The stereotype of AT&T as a slow, conservative and hierarchical organization still lingers, but old Ma Bell has recently had a facelift. She's also embarked on a spending spree. Two months ago the company completed an $82-billion purchase of Tele-Communications Inc., the second-largest U.S. cable provider. Last week, it pulled off another audacious takeover, snatching cable giant MediaOne Group Inc. from the arms of a rival suitor, Comcast Corp., at the cost of another $78 billion. Add to that several smaller deals, including AT&T Canada Corp.'s purchase in March of Calgary-based MetroNet Communications Corp., and the total value of the company's recent acquisitions comes to a breathtaking $180 billion—two and a half times its 1998 revenues.

Together, the TCI and MediaOne deals give AT&T access to 60 per cent of U.S. cable households. But Mike Armstrong, AT&T's hard-charging chairman and CEO, isn't digging deep into his company's pockets simply because he wants to be king of cable TV. Instead, he's positioning AT&T to be the dominant player in the dawning era of "broadband" communications, in which local and long-distance services are bundled with digital video and high speed Internet connections, all travelling over the same wires. To make that vision a reality, Armstrong needs a direct physical connection to America's living rooms, something AT&T lost when it exited the local phone business 15 years ago. Cable is the obvious alternative: the lines are already in the ground, and they can be upgraded to handle two-way voice and data communication.

Among AT&T shareholders, Armstrong's decision to bet the farm on cable is highly controversial. But if the gamble pays off, Ma Bell will become—to use the industry vernacular—the 800-pound gorilla of the digital age. "This is a do-or-die play," says Mark Bruneau, a former Bell Canada International employee who is now head of business strategy for Renaissance Worldwide, a Boston consulting firm. "If they do it really well, they might get a 30-per-cent share of the local communications market within five years." The same sort of thing could happen in Canada if, as some investors expect, AT&T buys a minority stake in one or more of this country's big cable outfits, notably Rogers Communications Inc. of Toronto.

AT&T's recent moves have stirred resentment and envy among its rivals and potential partners, including America Online and Microsoft. The Baby Bells fear Ma Bell will soon start poaching their customers, while Bill Gates is worried Microsoft could lose out in the competition to supply software for the set-top boxes that will deliver AT&T's new services. So far, the most he's been able to get is a promise that AT&T will deploy a version of the Windows operating system in some, but not all, of its set-top boxes, in return for which Microsoft will invest $7.3 billion in AT&T. Gates desperately wants an exclusive arrangement, but it's a safe bet that Armstrong won't give in. A former IBM executive, he ran Big Blue's personal-computer business in the early 1980s after Microsoft negotiated an exclusive contract to supply the operating system for those machines—a mistake that cost IBM dearly and made Gates the most powerful man in high-tech.

The fact that the world's richest man had to scramble last week to cut a deal with Armstrong's company is testament to AT&T's newfound aggressiveness. In Mike Armstrong, Bill Gates may have finally met his match.



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Halifax runs aground

Shipping companies Maersk Inc and Sea-Land Corp selected New York-New Jersey as the home for their so-called East Coast superport bypassing Halifax and Baltimore for the multimillion-dollar project Spokesmen at the two companies said Halifax was too far removed from major North American markets to act as the port for their new generation of extra-large container ships

Newcourt's nosedive

Investors pummelled Newcourt Credit Group Inc of Toronto, the world's second-largest commercial finance company, after the firms earnings fell short of expectations In three days of trading, the company's stock slipped from $42 80 a share to close the week at $27 85 The slide raised doubts about whether Newcourt's $4 3-billion merger plan with Livingston, N J -based CIT Group Inc. will go ahead

Making sense of money

Maclean Hunter Publishing Ltd publisher of *Maclean's*, launched a new personal finance magazine called *MoneySense* The premiere issue includes advice on building an investment portfolio, saving lawyers fees when suing someone and buying high-tech camping gear Editor Ian McGugan says *MoneySense*, which will publish eight times a year, is aimed at a diverse readership, from the investor in search of market strategies to consumers looking to save money

Banking American style

The Canadian Imperial Bank of Commerce has applied for a U S bank charter as a first step in launching a national American electronic bank. Tentatively named Columbus First National Bank, the virtual operation would be based in Orlando, Fla., and offer a variety of services, including deposits, personal loans and credit cards

Excitement at Rogers

Toronto-based Rogers Communications Inc. and Excite Inc. of Redwood City, Calif., agreed to a $30-million joint venture in which the two companies plan to create a Canadian version of Excite's popular Internet search engine Each company pledged to invest $15 million in technology, marketing and cash for Excite Canada Excite is the second most popular program for searching the Web behind that provided by Yahoo Inc

Turbulence at Canadian

Canadian Airlines International Ltd reported a first-quarter loss of $107 8 million, fuelling the debate about whether the Calgary-based carrier can survive Company president Kevin Benson said the airline needs a cash infusion of up to $500 million to ensure its future But he added he and his management team "don't believe any cash shortages will occur in the next 12 months and our auditors concur" Benson said he will meet with federal officials in an attempt to ease the restriction on foreign ownership of Canadian-based carriers, which now stands at 25 per cent (AMR Corp , the parent of American Airlines, owns that much of Canadian.)



Doug Ehlers for Maclean's

Canadian counter, the future in question

If Canadian Airlines were to go under, Air Canada would become the country's sole national carrier But Lamar Durrett, Air Canada's president, said the proliferation of discount charters over the past decade ensures that ticket prices would remain competitive

A fine for the telemarketers

A Quebec Superior Court judge fined American Family Publishers, a telemarketing company, $1 million for bilking senior citizens The federal competition bureau said the fine was the highest imposed against such an operation in Canada. Firm president Vijay Sharma was also fined $100,000 The telemarketers defrauded 1,300 Canadians, telling them they had won a mystery prize But to collect, a victim had to buy overpriced promotional items Victims lost up to $17,000 each

Financial outlook

The number of young people looking for work increased sharply in April, causing the overall unemployment rate to rise to 8 3 per cent The rate had been holding steady at 7.8 per cent since January Statistics Canada estimated an additional 42,000 people between the ages of 15 and 24 entered the job market last month However, the level of job creation, which had steadily improved through the last half of 1998, flattened in January and remained sluggish through April, StatsCan said.

Doug Porter, senior economist with Nesbitt Burns, said the spike in the jobless numbers did not have much effect on the market "It was seen as a bit of an aberration," he said. "And if it isn't, it certainly justifies the Bank of Canada's interest rate cut earlier in the week."

JOB HUNTERS ON THE MARCH

More young people looked for work in April, causing a sharp increase in the unemployment rate



Source: Statistics Canada



Peter C. Newman

How to Give away money

"I've become something of a psychiatrist to half-a-dozen rich guys who have come to me for advice," confides Seymour Schulich, the Montreal-born mining magnate who has donated more than $15 million and is in the process of giving away another $10 million. "The people who consult me have made good money in the investment industry and are having thoughts about doing something with it. I mean any fool can give his money away, but the trick is to get some leverage for it. That means forming partnerships with governments, other donors and the leaders of the receiving institutions."

During a recent interview in his unpretentious downtown Toronto office, the 59-year-old Schulich outlined his donation philosophy. "Everybody wants their life to have some meaning,' he says. "The big mistake people make is trying to fund something by themselves. If it's significant, you won't have enough money to do that, no matter who you are. Even John D. Rockefeller couldn't. What you must do is become a catalyst by providing the large lead gift for a capital campaign which has matching elements. That's how you get that all-important multiplier effect."

Schulich, who grew up poor and Jewish in Montreal, struck it rich in Nevada. A McGill University science graduate, he personally has never discovered an ounce of any mineral, but has instead cut himself into the action through royalty arrangements, and now shares ownership in some of the region's richest mines, including royalties from Peter Munk's Goldstrike property. His company, Franco-Nevada Mining, has been one of the biggest price gainers on the Toronto Stock Exchange in the past decade. Schulich, who keeps a six-shooter in his desk as a gag, has lived in the same suburban Toronto bungalow for 22 years with his one and only wife. Yes, he has driven a Cadillac, but it was 10 years old when he traded it in for a Ford. "I've never learned how to spend money on myself," he confesses. "It makes me very uncomfortable."

Schulich made news in 1995 when he donated $15 million to establish a business school named after him at Toronto's York University. It has since grown to be the largest and most enterprising graduate business school in the country, led by dean Dezso Horváth, a high-octane Hungarian with two PhDs who never lets up and has won Schulich's admiration because they share the same motto: both men would rather ask for forgiveness than for permission.

Schulich is clearly attached to the Schulich School of Business. "We train 5,000 managers every year and graduate one in three of Ontario's MBAs," he says. "And yet we have the oldest and most outdated facility of all the major business schools in the country. It's great to have scholarship but if your students are studying in tents, it's not too good, especially during those Canadian winters. So I'm putting up a lead donation of $5 million to put up a new school building. But it's not a naming gift, I'm hoping to attract someone who will put up a matching amount to have *his* name on the building."

Schulich's next move, which has yet to be publicized, is his donation of another $5 million to upgrade the coronary unit at Toronto's Sunnybrook Hospital. It's an ideal example of his "roulipler" theory at work. The Ontario government has already promised roughly $7 million and a public campaign is expected to raise another $14 million. "What I saw in Sunnybrook," says he, "is the same thing I recognized at York. Both institutions have lots of room to expand. Sunnybrook isn't like the downtown hospitals, all hemmed in. Like York, it also has a great leader, chief cardiologist Dr. Brian Gilbert, who can take the project forward and make it significant beyond its geographical boundaries. We'll end up with 152,000 square feet of a world-class facility devoted to cardiac care. It's going to be called the Schulich Heart Centre, the last damn thing I'm putting my name on."

It's an interesting sidelight to note that most of the money now flowing into Toronto's health and educational facilities originated in the Nevada gold fields. Peter Munk, who has sponsored a major heart institute at the Toronto Hospital and the Centre for International Studies at the University of Toronto, made his fortune digging up Nevada's rich Carlin Trend, as did Joe Rotman, the generous patron of the University of Toronto's newly revived school of management. "After Munk built a heart centre, I felt every guy in the gold business should have one," Schulich deadpans. "There's a lot of Nevada money running around Toronto."

"A hundred years from now, it won't matter how much money you had in the bank, what kind of car you drove, or what kind of house you lived in. But the world may be a better place because you helped some people achieve a better education and improved health care."

When he is giving money away, an activity that currently occupies much of his energy and most of his thoughts, Schulich always recalls a marvelous French saying which, translated, means: "You can't tow a safe behind your hearse."

At a time when most governments in this country lack both the imagination and the money to fund worthwhile projects, we need more Seymour Schulichs. How wonderful that we have at least one.

Nothing can bring the world together better than music.
(Except, maybe, a good global supply chain.)

Join us. Together we can change the world.



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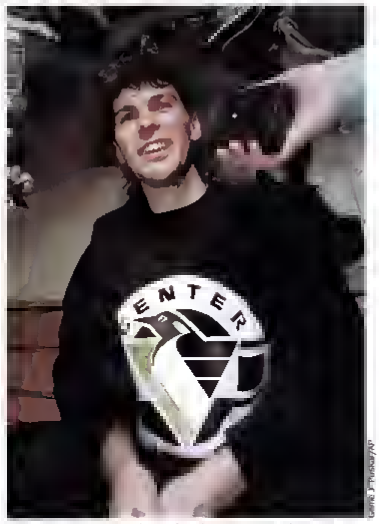
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He's game to win—at all costs

Hobbled by an injury, top NHL scorer Jaromir Jagr is still a threat on the ice

The captain of the Pittsburgh Penguins was barely fit to walk, let alone skate, going into this week's NHL playoff series against the Toronto Maple Leafs. But that didn't make the Leafs' job any easier. Mop-topped Jaromir Jagr, a towering winger with magical stickhandling skills, demonstrated during Pittsburgh's first-round upset of top-ranked New Jersey that he was almost as dangerous on one leg as on two. He played despite an excruciating groin injury, scored the tying and winning goals in Game 6 against New Jersey, and then assisted on two more goals in the Penguins' 4-2 victory in Game 7. Afterward, he shrugged off high praise. "I was just in the right place at the right time," he insisted. "I got a lot of support from my teammates."



Gene J. Puskar/AP

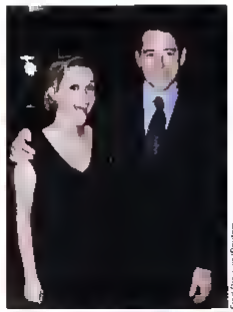
Jagr: 'I was just in the right place at the right time'

The once-wild and crazy Czech, now more mature at 27, is the unquestioned leader of 1999's most unlikely Stanley Cup contender. The team has remained competitive despite losing longtime stars Mario Lemieux (retirement) and Ron Francis (free agency) in the past two years. Just as astounding, Jagr and his mates have been able to tune out the team's financial woes. The Penguins are insolvent, and the NHL has threatened to revoke the franchise if the team does not get a bankruptcy court's approval for new local ownership by May 31. That could prove embarrassing if the Penguins defeat the Leafs and continue to advance—the Cup final extends into mid-June.

Jagr captured the NHL scoring title in the regular season, he is the favourite to win the league's most-valuable-player award, and he is doing all he can on the ice to keep the franchise alive. And by playing through a serious injury, Jagr's performance is reminiscent of another playoff hero, former Leaf great Bob Baun. A sturdy but low-scoring defenceman, Baun broke his leg in the third period of Game 6 in the 1964 Stanley Cup final against Detroit, but came out in overtime to score the winning goal. Toronto then went on to win Game 7 and the Cup. Jagr, who knows he could further injure himself by not taking time to heal, has his eyes on the prize, too. "It's the playoffs," he says, "and you do what you have to do."

Mr. Broderick goes back to class

The tables have turned for Matthew Broderick. The actor became a Hollywood player with his hilarious portrayal of a devious student who makes his teacher's life hell in the 1986 film *Ferris Bueller's Day Off*. But now it is Broderick's turn to play a teacher tormented by a cunning student in the movie *Election*. "Before this, I never thought about teachers that much," admits Broderick, 37. "But they have a really tough job."


Fred Prouser/Reuters

Witherspoon and Broderick: wit

Broderick was born into an artistic New York City family. His late father, James, was an actor and his mother, Patricia, is a playwright. When Broderick was 17, he made his stage debut with his father and has acted in both theatre and film ever since.

In *Election*, his character, Jim McAllister, goes head-to-head with an alarmingly ambitious student, Tracy Flick (Reese Witherspoon), who is running for the student presidency. "I wouldn't have dreamed of being involved in the student government," jokes Broderick, who lives in Manhattan with his wife, actress Sarah Jessica Parker. "My idea of going to school was to pretend I wasn't even there."





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For 2,000 years France has been producing what has become recognized as the world's finest wines. Her wide variety of soil types and micro-climates allow the making of wines as elegant as Champagne in the north and as rich and powerful as the red wines of the south. Use this handy chart to match your favourite foods with the wines of France. Whatever your preference, or your budget, there is a French wine for you. Cheers/Santé!

■ Tradi-onal Matches ○Contemporary Matches

APÉRITIFS, HORS D'OEUVRES



■ Dry whites
○ Sweet wines
○ Light reds
■ Sparkling (Mousseux)
■ Champagnes
○ Naturally sweet and fortified wines

COLD APPETIZERS, SALADS



■ Dry whites
■ Dry rosés
○ Semi-sweet roses

HOT APPETIZERS, PIZZA, QUICHES



■ Dry whites
■ Dry rosés
■ Light reds

SHELLFISH



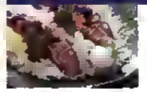
■ Dry whites
○ Sweet whites
■ Dry rosés
○ Sparkling (Mousseux)
○ Champagnes

DELI



■ Dry whites
■ Dry rosés
○ Semi-sweet rosés
○ Light reds

GRILLED FISH



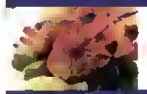
■ Dry whites
■ Sweet whites
■ Dry rosés
■ Light reds
○ Sparkling (Mousseux)
○ Champagnes

FISH IN SAUCE



■ Dry whites
○ Sweet whites
■ Dry rosés
■ Light reds
○ Sparkling (Mousseux)
○ Champagnes

WHITE MEATS



■ Dry whites
○ Dry rosés
■ Light reds
■ Sparkling (Mousseux)
■ Champagnes

GRILLED RED MEATS



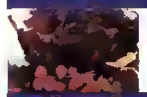
■ Light reds
■ Full-bodied reds
○ Sparkling (Mousseux)

RED MEAT IN SAUCE



■ Light reds
■ Full bodied reds
○ Sparkling (Mousseux)

GAME



■ Full-bodied reds
○ Sparkling (Mousseux)

MILD CHEESES



■ Dry whites
○ Dry rosés
○ Semi sweet rosés
■ Light reds
○ Sparkling (Mousseux)
○ Champagnes

STRONG CHEESES



○ Sweet whites
■ Full-bodied reds
○ Sparkling (Mousseux)
○ Naturally sweet wines

DESSERTS (FRUITS, CUSTARDS, TARTS...)



■ Semi sweet roses
○ Sparkling (Mousseux)
○ Naturally sweet whites

DESSERTS (CHOCOLATE, CAKES...)



■ Sweet wines
○ Naturally sweet wines
○ Fortified wines

MACLEAN'S WINES OF FRANCE CONTEST:
You could win 1 of 10 exclusive invitations to a private educational wine seminar featuring the fine wine regions of France. Winners will be invited to attend an international evening with 1 of the Liquor Control Board of Ontario's acclaimed Product Consultants. Each invited guest will be taught the proper wine tasting procedures, educated on the wine regions of France and introduced to the mix venous types of food can play with the enjoyment of fine French wines. If selected, winners must be able to attend the Educational Wine Seminar in Toronto on Wed July 7 1999. No exchanges or transfers. Approximate retail value $125.

How to Enter
1. Contest is only open to residents of Ontario who have reached the age of 19 except employees and their immediate families of LCBO, AGCO and Maclean Hunter Publishing Limited. 2. To enter you must complete the Maclean's Wines of France Contest Official Entry Form printed in this magazine. Completed entries and questionnaires can be faxed to (416) 593-0534 or mailed to Maclean's Wines of France Contest, P.O. Box 651, Station A, 145 The West Mall, Etobicoke, ON M9C 4V3. 3. Contest begins May 10, 1999 and ends midnight June 14, 1999. 4. To be eligible, Official Entry Forms must be received no later than midnight June 14, 1999. 5. All entrants must be 19 years of age at the start of the contest to be eligible to win a prize in this contest. You may only enter once. No purchase necessary. 6. You may obtain a complete set of the Official Contest Rules by forwarding your request in writing to: OFFICIAL CONTEST RULES, Maclean's Wines of France Contest, P.O. Box 651, Station A, 145 The West Mall, Etobicoke, Ontario M9C 4V3.

How to Win
1. On June 15, 1999, 10 eligible winners will be selected by random draw. 2. Starting June 16, 1999, attempts will be made to contact the selected entrants, at the telephone number on their Official Entry Form between 9 a.m. and 5 p.m. for a period of five working days. If an eligible entrant cannot be contacted within the allotted time, he/she is no longer eligible to win and another entrant will be drawn and the process of contacting the new entrant will be repeated. 3. In order to be declared a winner, the selected entrant must complete and sign a Release & Indemnity Form and correctly answer unaided a time-limited mathematical skill-testing question administered at a mutually convenient time over the telephone. There will be only one opportunity to answer the mathematical skill-testing question. An eligible winner who provides an incorrect answer will no longer be eligible to win a prize in this contest. The procedure outlined in points 1, 2 and 3 will be followed until all prizes in this contest have been awarded. 4. The odds of winning depend on the number of eligible Official Entry Forms received. ■

You could win an exclusive invitation to a French wine seminar!

Official Entry Form *Please Print*

☐Male ☐Female

Date of Birth: Day____Month____Year____

Name: _____

Address _____ Apt.____

City: _____ Province_____

Postal Code: _____ Telephone() _____

*Name your favourite French wine-making region*_____

Signature: _____

By signing, I hereby declare that I have read, understood and complied with the Official Contest Rules.



Chris Wood/Maclean's

Flood watch

The Fraser Valley braces for a high spring runoff

Dagny Yurkin remembers the last big flood on the Fraser River. She was a farm girl in 1948, growing up on Barnston Island, 28 km east of Vancouver. "The water came up to here in the house," she says, holding her hand half a metre above the floor. "You'd look out on the river and see whole buildings going by." That flood killed 10 people, destroyed or damaged 2,300 homes and forced 9,000 residents to seek other shelter. The island, four kilometres long, is an emerald oasis embraced by the grey-brown arms of the river between the suburbs of Surrey and Pitt Meadows. As a record winter snowpack melts in the mountains and flows towards the sea, Barnston's 150 residents are bracing for the possibility late this month of the highest spring runoff in half a century.

Flood preparations are under way in many communities. The province has stockpiled 5.5 million sandbags and spent more than $5 million to strengthen dikes along the Fraser. Upriver in the city of Abbotsford, where some 6,500 of the 115,000 residents are at risk, firefighters are ready to equip 10 shallow-draft jetboats as waterborne emergency craft. At New Westminster, some riverside industries chose not to wait, acting on their own to place sandbags along the shoreline, just in case.

The catch-in-time precautions may not be needed. The right weather, producing a slow melt, could still limit the water's depth. On the other hand, if a large flood happened to coincide with an earthquake, water rampaging through collapsed dykes would inundate low-lying communities. The Yurkins, however, remain phlegmatic. They will evacuate their 45 beef cattle if need be. But Dagny and husband Frank, their two sons and three grandchildren on the island will likely do what her parents did in 1948. "My folks didn't leave," she says. "We slept upstairs."

Dagny and Frank Yurkin with granddaughter Dusty, sandbags and dikes

Chris Wood *on Barnston Island*



A field of beams

A new $174-million super microscope could help slow the scientific brain drain

Talk about a bright idea. The University of Saskatchewan's new $173.5-million synchrotron will produce light beams millions of times more intense than hospital X-rays, giving scientists their first made-in-Canada method for probing matter at the deepest levels known to man. Housed in a building the size of a football field, the device accelerates electrons to almost the speed of light. As they lose energy, the electrons give off intense rays, which are then used to capture infinitely detailed images. "It's like a super-precise, giant microscope," says Dennis Skopik, acting director of the so-called Canadian Light Source and a physics professor at the University of Saskatchewan. Construction of the synchrotron, which is endorsed by 19 universities, begins next month with funding from three levels of government, several industry groups, the University of Western Ontario and the University of Saskatchewan. When completed in 2003, it will be used for a wide range of research, including the development of new drugs and the design of more powerful microchips.

But more importantly, the synchrotron—which ranks as the country's single most expensive scientific project ever—may help stanch the flow of scientists southward. Until now, Canadians pursuing synchrotron research were forced to use facilities in the United States, Japan or Europe. "Certainly, we've had some very bright people who are probably lost for good," says Michael Bancroft, president of the Canadian Institute of Synchrotron Radiation, and a chemistry professor at the University of Western Ontario in London. He says all but five of his past 15 PhD students have taken jobs in the United States or elsewhere. "With this, we'll be able to prevent that from continuing to happen." In fact, the University of Saskatchewan is already becoming something of a scientific mecca, says Skopik. "We're getting students applying who wouldn't have given us a sniff before," he notes. "These facilities really attract top-rate people."



Geoff Wilgenbus—Saskatoon Star Phoenix

Skopik, lighting the way in Saskatoon

A milestone for First Nations

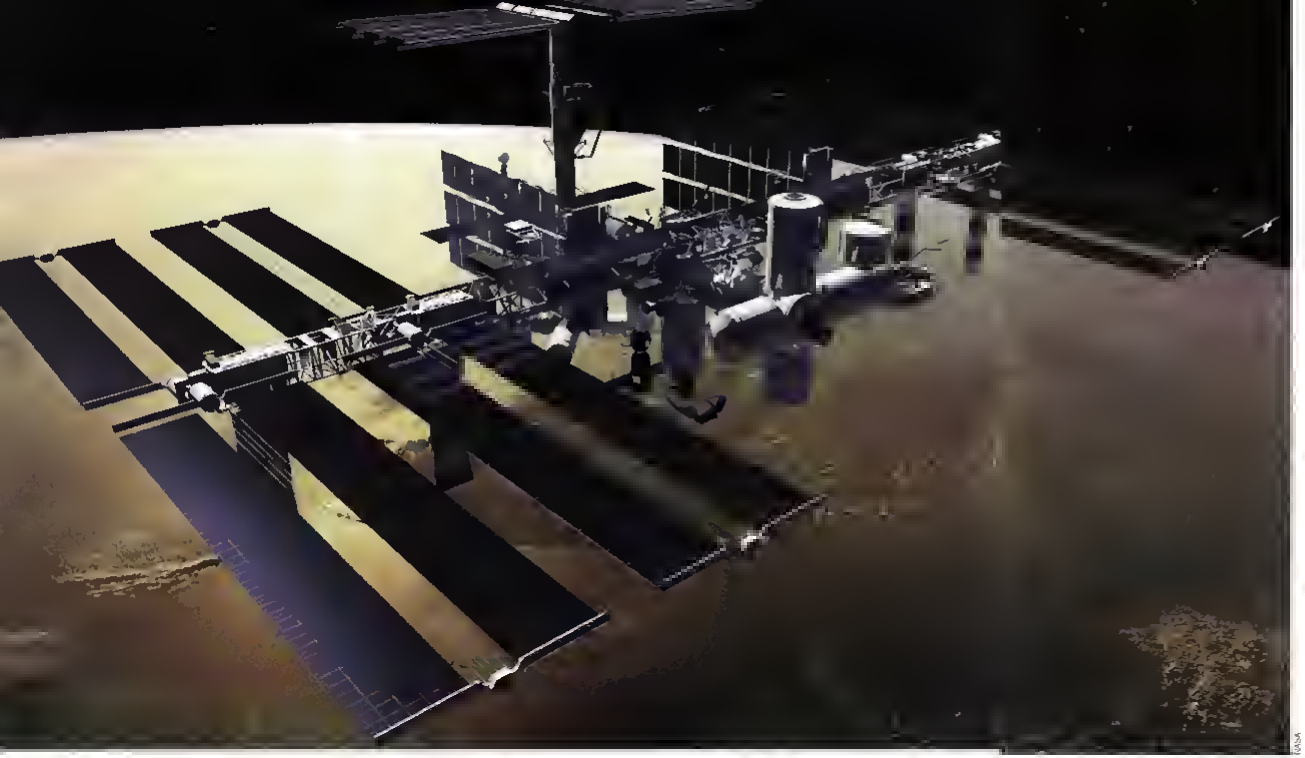
It was a landmark event for Canada's First Nations. Late last month, Gov. Gen. Roméo LeBlanc granted royal assent to the Mi'kmaq Education Act. As a result, Nova Scotia's Mi'kmaq will be the first aboriginal group in Canada to gain direct control over education on reserves. Traditionally, that schooling has been governed by the federal Indian Act. The new legislation gives Mi'kmaq communities the power to pass education laws that reflect their language and culture, says Lindsay Marshall, chief of the Potlotek community on Cape Breton and chairman of Mi'kmaw Kina'matnewey, the body that oversees Mi'kmaq education. Ottawa will continue to provide funding, and the curriculum will be based on provincial standards. Marshall says First Nations from across Canada have called for advice on achieving similar status. "For once," he says, "we are masters of our own house when it comes to education."

Court battle

Former employees are taking Canada's oldest private college to court in a bid for severance pay. Belleville, Ont.-based Ontario Business College terminated its 225 staff and cancelled classes after going into receivership on April 26. Last week, a potential buyer was found and the school's 1,500 students were told to return to class on May 10, but employees have been left hanging. Their class action lawsuit contends they have not received severance payments required under Ontario law. The 131-year-old college offers diploma and certificate programs in business, health care and legal services. It operates 12 campuses across Ontario, from Thunder Bay to Windsor.

Art in action

Learning Through the Arts, a program that was pioneered by the Royal Conservatory of Music in Toronto in 1994, will be implemented across Canada this fall, thanks in part to a $1-million contribution shared equally by Ottawa's Canada Millennium Partnership Program and the Toronto Dominion Bank. The initiative, involving 25,000 elementary students from Vancouver to Corner Brook, Nfld., integrates local artists and their activities into the classroom. percussion instruments are used to improve the understanding of punctuation; dance movements help underscore the laws of physics. Students who have been taking part in the pilot program at eight Toronto schools have improved their performance on both literacy and math tests. "Our vision is to introduce this into as many schools as possible," says Angela Elster, director of the program. Call it art for smarts' sake.



NASA rendering of the completed International Space Station: a staggeringly complicated undertaking

Space

Out of this world

By Andrew Phillips
in Houston

This is ground zero, the holy of holies of the U.S. space program. The flight control room at Johnson Space Center in Houston is instantly familiar from a dozen movies and a thousand newscasts. The banks of computer terminals, the three giant screens up front; the digital clock counting down to the next mission—this is where Earth talks to Space. If something goes wrong and an astronaut has to deliver the fateful message, "Houston, we have a problem," this is where it comes in. Towards the back of the room, Chris Hadfield gestures to a workstation crowded with monitors. "Welcome to my office," he says.

From his spartan "office," Hadfield is the key link between the ground and astronauts aboard the space shuttles that are the pride and joy of NASA, the National Aeronautics and Space Administration. As NASA's chief capsule communicator, or CAPCOM, he is the man who talks to the shuttle—and who represents its crew to the scores of anxious officials below. He is also one of seven Canadian astronauts in Houston, a fact that gives his assignment next week a special edge. Hadfield will be in the CAPCOM chair the evening of Thursday, May 20, as the shuttle Discovery lifts off from Kennedy Space Center in Florida on a mission to dock with the spanking new International Space Station 400 km above the Earth. Aboard will be Julie Payette of Montreal, the biggest star Canada has put into space in years (page 57).

Payette will be the eighth Canadian in space, and not even the first Canadian woman. That honor went to Roberta Bondar in 1992. But Payette, a 35-year-old engineer, jet pilot, scuba diver, linguist and accomplished musician, has brought a buzz to Canada's role in space. It helps that she is attractive, vibrant and does not shy from the spotlight. A Quebec publisher has brought out a book on her, and she was the focus of attention in Houston last week as she and her fellow crew members fielded questions at their last public appearance before going aloft. Eighteen of the 22 questions were directed to Payette—as the five Americans and one Russian who will fly with her sat smiling and mostly silent.

Their destination will be the space station—or at least the parts that have already been bolted together. By any measure it is a staggeringly complicated undertaking that will be one of the marvels of the engineering world once it is completed by the middle of the next decade. Sixteen nations are involved. More than 100 major components must be taken aloft aboard 45 flights and assembled in the pristine environment of space. Astronauts will have to make at least 160 space walks—a high-risk part of any mission—totalling 960 hours. The finished product will be 108 m long and weigh 472 tonnes—vastly greater than anything ever put into orbit. Payette compares it to "assembling a whole cruise ship in the middle of an ocean during a storm," and that may be underestimating the challenge.

The dream of a permanent lab in orbit is quickly becoming a reality—with a price tag

Eventually, possibly as early as 2004, it will contain six research laboratories and a total space equivalent to the interior of two jumbo jets—all orbiting the Earth every 92 minutes and 24 seconds. The best way to get an idea of just how big it will be is to visit NASA's Building 9, a vast hangar in Houston that contains full-size mock-ups of some of the station's key components. John-David Bartoe, the program's research manager, proudly shows a visitor through the Japanese and European labs, which will eventually be packed with experiments. The interior feels about as big as a modest mobile home—positively spacious by the cramped standards of previous space vehicles. But the key difference for researchers, says Bartoe, is that they can run experiments all year round. "On the shuttle, we were limited to about two weeks a year. Now, we'll go to 52 weeks."

To the true believers at NASA, this is the modern-day equivalent of building the pyramids or the great cathedrals of Europe. "What did the Egyptians or the Romans do?" asks Hadfield. "They let people do things that were just on the cutting edge of technical and human capability. And we are just now capable of leaving Earth. As far as significant events in history go, this is huge." Thirty years after the first moon landing, though, the public is mostly ho-hum about space flight—and the station faces a barrage of all-too-earthly criticism. It is, the critics note, way over budget and far behind schedule. The Russians, invited aboard in 1993 in a post-Cold War gesture of international collaboration, have become the planners' biggest headache as their space effort collapses for lack of funds. Worse still, the skeptics argue, the research that will be done aboard the station won't be worth anywhere near its cost—at least $58 billion and growing.

NASA has been kicking around the idea of an international orbiting lab since at least the early 1980s. In 1984, Ronald Reagan announced an $8-billion program to put a station with the Cold War name Freedom aloft by 1992. By then, the agency had spent more than that amount just drawing up plans. The following year, President Bill Clinton relaunched the program. Canada, Japan and the European Space Agency were already involved. Now, Russia would be brought in as well and the station would be built for $25.2 billion. The Russians' experience in long-term space flight aboard their Mir station would be invaluable, went the thinking. Moscow committed to building two major components of the station—a 12-m control module named Zarya ("sunrise") and a service module designed eventually to serve as living



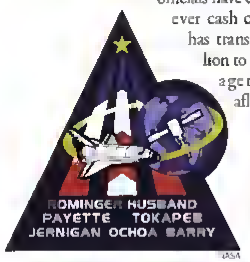
Michael Sohaskey/AP

Payette with crew members Tokarev (left) and American Daniel Barry

quarters for a seven-member crew

Zarya is now orbiting the Earth, attached since last December to a U.S.-built "node" called Unity. Together, those components form the core of the space station that Payette and her fellow astronauts will travel to on their 10-day mission. But the Russian service module, crucial to completing the station, is far behind schedule. It was supposed to be ready for launch in April, 1998. Now Bill Bates, chief of staff of the space station program, says he does not expect it to launch until October or November a year and a half late. The program is like an intricate jigsaw, if a key piece is missing, other parts cannot be installed.

The problem, simply put, is money. As Russia's economy collapses, its space program has been starved for cash. Scientists are not being paid, corrupt officials have creamed off whatever cash comes in. NASA has transferred $145 million to the Russian space agency to keep it afloat. James Oberg, a former NASA engineer and leading expert on the Russian space program, accuses NASA officials of blinding themselves to the problems because of the political goal of keeping the Russians onboard. "They've gone from denial about this to deception," he says.



NASA

NASA justifies the space station as a new frontier, and an inspiration for youth

The delay in launching the Russian service module forced a radical redesign in the mission that Payette will undertake next week. Commanded by Kent Rominger, an American veteran of three shuttle flights, the crew was originally supposed to outfit the service module. Instead, it will take some 2,250 kg of equipment up to the embryonic station—everything from laptop computers, clothing and cameras to a U.S.-made crane and parts of a Russian crane to be used by future astronauts.

Payette has other key tasks. She and a Russian astronaut, Valery Tokarev, will replace 18 power cells in the Zarya module that are already malfunctioning. She will act as onboard coordinator while two other astronauts conduct a six-hour space walk, attaching equipment to the outside of the station. And she will "fly" Discovery's Canadarm, the robotic manipulator arm that is Canada's main contribution to the shuttle program.

The mission may, in some ways, seem banal: much of it involves transferring bags of equipment from the shuttle to the space station in precise order and sequence. Payette, after years of training and months of intense 15-hour days leading up to launch, will spend most of two days aloft in effect changing the batteries aboard Zarya. Doing it all 400 km above Earth, of course, puts a different spin on things. Anyone who thinks there is anything routine about it, insists Hadfield, is making a big mistake. "People have fallen for the fact that we make it look effortless," he says, "when it is just barely possible. I know what goes into all this, and I'm not blasé about it."

The station's critics don't deny how complex it all is—or doubt the courage of the astronauts. What they do question is how useful the station will ultimately be. Two scientific organizations, the American Physical Society and the American Society of Cell Biologists, wasn't that the benefits of experimenting in the micro gravity of space have been vastly overstated by NASA. The billions invested in the station, they contend, would be better spent on unmanned robotic probes that could explore deep space for a fraction of the cost. (The U.S. General Accounting Office estimates it could reach a staggering $140 billion to build and operate the station throughout its projected 15-year lifetime.) "We could be so much further along if we hadn't squandered all this money," contends Robert Park, a physicist and director of the APS's Washington office.

NASA, in fact, does not try to justify the space station on scientific grounds alone. It lists half a dozen reasons for building it—including the basic human desire to explore new frontiers, to expand international co-operation, and to inspire young people to follow scientific careers. Research in orbit is just one factor, but one that is close to the heart of another Canadian, Dave Williams of Pointe Claire, Que. Williams flew on the shuttle last spring and is now NASA's director of space and life sciences. He ticks off a list of areas that he argues can benefit from research aboard the station, such as learning how humans adapt to micro-gravity, growing tissue cultures in three dimensions and making purer protein crystals that could lead to treatments for cancer, diabetes and other diseases. "We'll have a world-class orbiting lab," he says. "All areas of science will benefit."

Payette's mission will mark just the start of Canada's role in building the space station. Next March or April, Marc Garneau, who became the first Canadian in space in 1984, is to be aboard a mission that will install solar panels to power the station. Late next year, Hadfield is to return to space as part of a flight that will install Canada's main contribution to the station—the 17-m Mobile Servicing System. It is the next generation of Canadarm, a robotic arm that will be used to assemble the station, dock the shuttle to it, and be able to "crawl" around it to service hard-to-reach areas. Developing and operating the MSS until 2004 will cost Canadian taxpayers $1.4 billion. It's a big bill, the question is whether the returns will be as large. m

Ambition accomplished

The multitalented Julie Payette joins the roll of Canadian space travellers

By Brenda Branswell
in Montreal

Things just hit home big time when I flew a Dash-4 over the pad this evening at Kennedy Space Center. There it was—Discovery, all of white shining under the late afternoon sun. I just couldn't believe my eyes. Twenty-four days before launch date and here stood the very orbiter I will ride to space or to oblivion. But ride the mighty rocket, ride I will.

—Julie Payette in an e-mail message last month to her sister, Maude



At Canadian Space Agency headquarters: musician, athlete, scholar, astronaut

When the shuttle Discovery blasts off from the Kennedy Space Center in Florida next week, Julie Payette will soar into the galaxy of her childhood dreams. From the time she was a prepubescent girl growing up in a Montreal suburb with a photo of American astronaut Neil Armstrong plastered on her bedroom door, Payette has been smitten with space. She devoured science magazines, watched television programs about space and, around the age of 9, announced her plan to become an astronaut. "I was just one of many who got really enthused and motivated by watching the Apollo missions," Payette, 35, told *Maclean's*. "I wanted to fly and I wanted to drive that rover on the moon." Her prospects seemed remote but the longing never ceased. In 1982, during a scholarship year at United World College of the Atlantic in Wales, Payette mused in a yearbook entry: "One day I'll make an enormous pop right into orbit around the earth and contemplate the world."

That Payette is poised to achieve her goal does not surprise people who know her. A highly determined perfectionist, Payette is a Renaissance woman with a broad list of accomplishments that raise the question: is there anything she *can't* do? A talented pianist, flutist and soprano chorister, Payette also flies jets, speaks six languages, holds two engineering degrees and has competed in triathlons. Since last August, she has routinely logged 15-hour days at the Johnson Space Center in Houston, preparing for the mission scheduled for liftoff on May 20, which will help in the assembly of the International Space Station. If she is daunted by the experience, Payette isn't letting on. "If anything, I'm thinking I better work even harder because I want to really be ready," she told *Maclean's* in January as her training intensified. "I don't want to make a mistake. My biggest fear is not to be up to the expected standards."

Payette's drive to succeed surfaced early in life. She grew up in Ahuntsic, a middle-class, north-end Montreal suburb, the second of three children. (She has an older brother, Simon, and a younger sister, Maude.) Her father, André, is an engineer and her mother, Jacqueline, did accounting work at a theatre. Her mother, Payette recalls, was fond of saying "there is always room for improve-

When Payette says being an astronaut 'is an *amazing* job,' it's easy to believe her

ment." And both parents, according to Maude, instilled in them a keen sense of curiosity and an interest in learning and always pushing ahead. "Julie really likes to do things that demand her all," says Maude, one of several family members who will be in Florida for the liftoff. As a student, Payette leapt from one scholarship and award to the next, carving out a daunting resumé. After high school in Montreal, she studied in Wales and then attended McGill University on a prestigious scholarship, graduating in



Signing autographs: perfectionism and tenacity

1986 with a bachelor of engineering degree. A master's of applied science followed from the University of Toronto in 1990. Although the chances of actually becoming an astronaut seemed slim, Payette says she opted to study sciences on the grounds that, "hey, you never know." She was working at Bell-Northern Research in Montreal in 1992 when she heard that the Canadian Space Agency was recruiting its second group of astronauts. "I was very happy in my work," says Payette, her hands in motion, her voice animated. "But I thought I have to apply."

Former teachers invariably remark on Payette's intelligence. Several also recall her perfectionism and tenacious streak. Nicole Léger, a former handball coach for a Montreal-area team, recounts how Payette once ignored a warning during a running drill to slow her pace because several teammates had already gotten sick from overexertion. But Payette, who was vying for a spot on the team, raced up and down the sand dunes anyway and also got sick. "She absolutely wanted to be selected and put in a 150-per-cent effort," says Léger. Payette made the team. At CFB Moose Jaw in Saskatchewan, where Payette trained as a pilot and returns periodically to log more hours, Maj. Rob Thorneycroft laughs recalling how "she hovers over the scheduler like a hawk" asking for extra flights. The commandant of the flying instructor school, Thorneycroft calls flying a humbling experience—there are few naturals like the famed American test pilot Chuck Yeager. Payette, says Thorneycroft, tends to berate herself because she feels her flying is not as good as it could be. "I would imagine that everything she'd done up to that point in her life was superior," he adds. "And now she gets into an airplane and things come to her on an average to slightly above average level, which in her own mind may not have been as good as she would have liked."

Visibly fit, Payette is a talented athlete. "You don't want to challenge Julie to any physical sport," says fellow Canadian astronaut Chris Hadfield. "She'll whop you at squash or badminton or racquetball or whatever." Claude Sauvage, another of Payette's handball coaches, recalls meeting up with her on France's Côte d'Azur. Three young men in their group crept up behind her to toss her into the ocean, he says. But when she sensed their presence, Payette turned around and, one by one, ducked them underwater. "They left asking, 'How did she do that?' " recalls an amused Sauvage. "I told them, 'You don't know her. You don't know the strength and quickness she has.' "

Payette is highly protective of her privacy and initially, for example, balked at even naming the Montreal neighbourhood where she grew up. At the Canadian Space Agency news conference last August announcing her flight, she declined to reveal her marital status, although the CSA later confirmed she is married to a Montreal engineer, François Brissette. Payette says her work is "something that I owe to people to share," but doesn't consider her private life to be of public interest. "I'm a person *sans histoire*," she maintains. Maude says what people see in interviews is the real Julie. "She's an extremely passionate and dynamic person," she says. "She really loves what she's doing and she also loves talking about it."

Each astronaut is allowed to bring 21 CDs into space. Payette's stash will include music by the famed Tafelmusik Baroque Orchestra Choir—with whom she happened to sing for three years while in Toronto. She heads to space charged with several responsibilities such as "flying" the Canadarm remote manipulator and helping orchestrate the space walk of two fellow astronauts. "She's very much a quick thinker and a very quick study, and she needs to be," says Hadfield. "She's a rookie on board with extremely high responsibility." For Payette, being in charge of the camera equipment and Earth observation holds special resonance. "I think the reason that motivated me to try this career in the first place," she says, "was this privilege of being able to go and see the Earth from above and see how we conduct matters down here."

Asked what she has missed the most during her intensive training, Payette allows with a laugh that she wouldn't mind having more time "to do ordinary things." Still, she mildly takes issue with the question. "This is what all of us have been working for all our lives," she stresses, "to get to this moment." Her voice brimming with characteristic enthusiasm, Payette says: "This is an *amazing* job." It's easy to believe her.



Protesters spray a crop with paint in Iowa: hazards have not been proven

Tampering with the natural order

Genetically altered foods are filling North American shelves with startling speed—and scant publicity

By Mark Nichols

For 40 years, Percy Schmeiser has grown canola on his farm near Bruno, Sask., about 80 km east of Saskatoon, usually sowing each crop of the oil-rich plants with seeds saved from the previous harvest. And he has never, says Schmeiser, purchased seed from the St. Louis, Mo.-based agricultural and biotechnology giant Monsanto Co. Even so, he says that more than 320 hectares of his land are now "contaminated" by Monsanto's herbicide-resistant Roundup Ready canola, a manmade variety produced by a controversial process known as genetic engineering. And, like hundreds of other North American farmers, Schmeiser has felt the sting of Monsanto's long legal arm. Last August the company took the 68-year-old farmer to court, claiming he illegally planted the firm's canola without paying a $37-per-hectare fee for the privilege.

Unlike scores of similarly accused North American farmers who have reached out-of-court settlements with Monsanto, Schmeiser fought back. He claims Monsanto investigators trespassed on his land—and that the company seed could easily have blown on to his soil from passing canola-laden trucks. "I never put those plants on my land," says Schmeiser. "The question is, where do Monsanto's rights end and mine begin?"

The landmark case, now before the Federal Court of Canada, has attracted international attention because it could help determine how much control a handful of powerful biotech companies can exert over farmers. That is just one of the issues thrown up by the rapidly widening array of new crops and food products resulting from genetic engineering, a process in which scientists alter the genetic structure to improve a plant's quality or make it resistant to insects and insecticides. Some agricultural experts and environmentalists fear that genetically altered crops may doom traditional plant varieties and wreak havoc with ecosystems. And there are unanswered questions about the possible effects on human health. "My concern is that we simply do not know what the health implications may be," says Ann Clark, an agricultural scientist at Ontario's University of Guelph, noting that Canadian regulators accept claims made by the biotech companies without conducting any independent studies. "Canadians think the government is looking after their interests, but it isn't."

Although biotech foods have established a strong presence on North American food shelves during the past

five years, health concerns have not surfaced as a major issue with Canadian or American consumer groups. But a heated debate has raged in Europe, and especially in Britain where a campaign against so-called Frankenstein foods led by the environmental organization Greenpeace climaxed late last month. Bowing to consumer pressure, three of the world's largest food companies—Unilever, Nestlé and Cadbury—said they will stop using genetically engineered ingredients in their products sold in Britain. Six British supermarket chains followed suit, saying they would stop using genetically altered substances in foods bearing company labels.

Those announcements coincided with the publication of a leaked report by the British government's chief medical officer and top scientific adviser. It urged Prime Minister Tony Blair's government to study the effects of genetically modified food on human health, including possible "fetal abnormalities, new cancers and effects on the human immune system."

In contrast, genetically engineered foods have arrived on Canadian supermarket shelves, and dinner tables, with startling speed and scant publicity. Since Ottawa cleared the first re-engineered farm crop in May, 1994, the number of genetically modified farm plants grown in Canada has risen to about 40. Currently, about 2.8 million hectares—four per cent of Canadian farmland—are growing genetically modified canola, corn, potato and tomato crops. Most of the harvested produce is not segregated, but mixed in with conventionally grown foods. As a result, foods with at least some biotech characteristics are becoming pervasive—and North America has no requirements that they carry identifying labels. Experts say that many processed foods containing soy or corn products—particularly candy bars, desserts and snack foods—contain genetically modified ingredients.

Are they a health hazard? The evidence so far is inconclusive, but critics caution that genetically engineered foods could have unpredictable effects on humans, potentially running the gamut from allergic reactions all the way to cancer and other diseases. "When you insert genes into an organism," says Elisabeth Abergel, a geneticist at Toronto's York University, "you're creating new proteins. The result could be something you hadn't expected—and we have no idea what they might do to human health over the long term."

Evidence of possible health risks that surfaced in Scotland last year generated a heated debate. Scientist Arpad Pusztai at



Rick Ch ard for Maclean

Clark: 'Canadians think the government is looking after their interests, but it isn't'

Aberdeen's Rowett Research Institute reported that rats that ate genetically modified potatoes for 110 days suffered from stunted growth and weakened immune systems. But the institute itself subsequently condemned Pusztai's research techniques and forced him into retirement. Pusztai, an internationally respected authority on plant-generated toxins, stood by his findings. While conceding that his study was not conclusive, he said it did suggest that genetically altered crops need much more thorough testing before being consumed by humans. "We are asking for less haste and more testing," he said.

Industry and government officials insist that biotech foods are tested before going on sale in Canada. "The approval system is rigorous and comprehensive," says Karen McIntyre, Health Canada's head of food biotechnology. But under Ottawa's current regulations, health testing for biotech foods is not mandatory. For now, biotech firms, including Monsanto, British-based Zeneca and Germany's AgrEvo and their Canadian subsidiaries, are voluntarily submitting the results of animal studies and laboratory tests to federal regulators. A slightly tougher rule requiring firms to notify Health Canada of new genetically modified plants is expected to come into effect later this year.

Critics fear the approval process is compromised. Ottawa has made the nurturing of biotech industries a cornerstone of its industrial strategy—it poured more than $300 million into biotech research and development last year. "Federal officials," says Abergel, "will tell you, 'Oh, we have a great regulatory system—we know what we're doing.' But you have to wonder. I think there's a big conflict of interest here." And, she adds, because federal regulations do not put genetically modified foods into a special category—or require product labelling—those foods "become sort of invisible in terms of public awareness."

The issue could become more visible. Academic scientists are beginning to express concerns about the potential for re-engineered plants to run amok. Their fear is that genetically altered plants could pass on their new genes to wild relatives and pose unknown environmental risks as they shed into the soil some of the genetic material added to make plants insect-resistant. And the possibility remains that the Canadian public will react against its lack of knowledge about what it is eating. "Canadians have heard what is going on in Europe," says Judy Wasylycia-Leis, the federal New Democratic Party health critic. "Canadians need to know that these new foods are safe to eat, and not destructive to the environment. At the moment, we have no assurances at all." As the alarm is rung, genetically altered food has already found its place in the Canadian diet.

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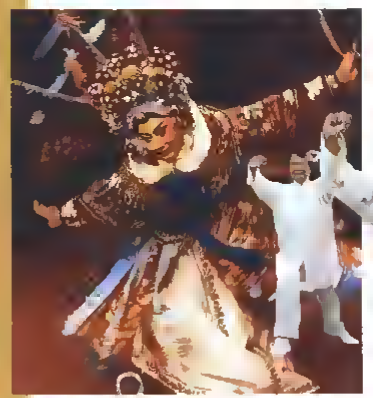
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What muddled dreams may come

Hollywood loves—but doesn't quite trust—Shakespeare

A Midsummer Night's Dream
Directed by Michael Hoffman

After *Shakespeare in Love*, *Hamlet*, *Romeo + Juliet* and all the other recent plunderings of Shakespeare, it was only a matter of time until someone got around to making a new version of *A Midsummer Night's Dream*. After all, it is the most perennially popular of Shakespeare's comedies, with a ready-made audience of millions who have studied it in school, or seen it acted in theatres great and small around the world. To watch Bottom, Puck and the quarrelling lovers is for many people like resuming an old friendship. Several cinematic versions have been made of the play: film audiences would seem to be ever-ripe ground for Shakespeare's intoxicating mix of romance and broad humour. And so *A Midsummer Night's Dream* hits the screen once more, ambitiously directed by Michael Hoffman and starring Kevin Kline and Michelle Pfeiffer.

Those two might seem unlikely Shakespeareans, but both have acted the bard before, and they bring an exquisite tenderness to the famous meeting between Titania, Queen of the Fairies, and her ass-eared lover, Bottom. The major problems that afflict this film lie elsewhere. In fact, *A Midsummer Night's Dream* feels like two movies under the guise of one. One is a standard and fairly tedious Hollywood costume drama where the pretty locations, computer-driven special effects and booming operatic score, courtesy of Verdi and Puccini, matter most. The other movie is recognizably Shakespearean, where the momentum of the play's language and story is trusted to do its work. At the best of times, these two strands marry to generate some fine scenes. But too often the movie jolts along with a divided mind, never quite sure whether it wants to be a sugary Hollywood fantasy or guts-and-soul Shakespeare.

The split is clear right from the opening scene, which borrows heavily from Kenneth Branagh's 1993 version of *Much Ado About Nothing*. Both films are set in the dry hills of Tuscany, and both open with an exuberant rush of operatic music. But while Branagh ultimately gives primacy to the text of the play, *Dream*'s camera lingers typically over the preparations for the wedding feast of Duke Theseus (David Strathairn). So great is the press of servants and cooks that Theseus' famous opening speech to his bride, Hippolyta (Sophie Marceau), has to be breathed privately into her ear. There is nothing wrong with this, except that the actors seem unaware that they are speaking poetry: their conversation mumbles along like something overheard on a crowded bus.

The acting improves when the action shifts to the enchanted woods ruled over by the King of the Fairies, Oberon (Rupert Everett), and his mischievous executive assistant, Puck (a balding, behorned Stanley Tucci). Puck, of course, plays havoc with the four young lovers (Calista Flockhart, Anna Friel, Christian Bale, Dominic West) who are there to sort out their amorous complications. In a nice touch, Hoffman has them riding bicycles, and when Puck—who has never seen a bicycle before—steals one to carry out his errands, the film strikes a pleasing irony. After all, the rogue could fly if he wanted to, but instead he pedals around the woods in a transport of childlike joy.

Left to themselves, the actors might have saved this *Dream*. But time and again, it strays off into long uninteresting silences, or invented (but unnecessary) scenes, backed by passages of gorgeous music meant to manipulate our feelings. At such times, the whole enterprise falls flat, and the attempt to revive it with cute special effects (the worst portrays the fairies as a travelling crowd of Tinkerbell-like points of light) only makes matters worse. The best films of Shakespeare's plays know how to surf the powerful, unrelenting wave of his language. This *Midsummer Night's Dream* tries to find its magic elsewhere—and falls under a spell of confusion it cannot break.

John Bemrose



Kline and Pfeiffer: bringing an exquisite tenderness to Bottom and Titania

Returning to centre stage

Sumptuous costumes, flurries of bravura dancing and a stroke of brilliant innovation grace the National's revamped *Swan Lake*

By John Bemrose

New productions of *Swan Lake* do not come along every day. In fact, it has been 32 years since the National Ballet of Canada last put its imprint on Tchaikovsky's masterpiece. And so the excitement was palpable last week as the curtain opened in Toronto's Hummingbird Centre on a much-ballyhooed $1.6-million version choreographed by the company's artistic director, James Kudelka. Many in the capacity crowd applauded as soon as they glimpsed designer Santo Loquasto's autumnal set with its miniature castle and stormy, branch-laced sky. They clapped at intervals throughout the evening as they watched the story of the young prince who falls in love with the Queen of the Swans, only to be thwarted by a wicked sorceret. They applauded the sumptuous costumes and the flurries of bravura dancing. And at the end, they stood on their feet and cheered as the curtain swept over the grieving Swan Queen, quivering *en pointe* over the body of her lover.



Antonijevic, Hodgkinson and Harrington: 'work whose meaning spills beyond the footlights'

This *Swan Lake* (which will travel to Ottawa, Saskatoon, Calgary, Edmonton, Vancouver and Montreal) was born amid controversy and high hopes. Throughout the ballet's creation, Kudelka and the National have been engaged in a legal battle with Kimberly Glasco, the ballerina he fired last December. The principal dancer claimed she was let go—unjustly—for opposing Kudelka's plans for the expensive production at a time when the National is carrying a $3-million debt. And while all costs of the show have been covered by a fund-raising drive, it certainly represents a daring move at a time when government cutbacks have reduced the company's operating budget to $14 million from $17 million. But Kudelka believes that the National must aggressively renew its repertoire if it is to expand its audiences and maintain the enviable reputation it earned in the '70s and '80s. "Big ballet companies are defined by their versions of the three Tchaikovsky ballets, *The Nutcracker*, *Swan Lake* and *Sleeping Beauty*," says the intense 43-year-old former dancer. "These are the ones that have put the National Ballet on the international stage as a large-scale ballet company."

Kudelka—whose 1995 revamping of *The Nutcracker* confirmed his reputation as one of North America's pre-eminent choreographers—believes that changes in the dance world made the time ripe to replace the company's 1967 *Swan Lake*, created by the great Danish dancer Erik Bruhn. For one, more skilled dancers are emerging. "More dancers can do more things today," Kudelka comments. "Training is better. The whole science of treating injuries is more exact: there are fewer scars on knees. Even the lamps that light the stage are brighter now than they were in the '60s." He adds that he wants the new *Swan Lake* to "reflect all those advances and show what dancing can be."

He has other aims as well, connected to the falling popularity of classical ballet since the heady days when great stars such as Rudolf Nureyev and Mikhail Baryshnikov drew multitudes of new fans. But those leading lights are gone now: Nureyev died in 1993. Baryshnikov has turned to modern dance, and Karen Kain, Canada's most recognizable international dancer, retired in 1998. Kudelka believes that many ballet companies are foundering because they have failed to realize that star-oriented performances are no longer possible. He would like to set a new course for the National by creating work that people want to see not because it features big names, or out of some vague, dutiful sense that ballet is good for them. "My job," he says, "is to make sure that dance is still evolving and having some kind of importance that goes beyond the sort of zany superstar importance it had a decade or two ago. The company has to do work whose meaning spills beyond the footlights."

How far has he succeeded in the new *Swan Lake*? He has certainly displayed the National's deep talent pool to great effect. Few choreographers can move a corps de ballet with as much originality and intricacy as Kudelka. He knows how to offset the pleasure of mass synchronized movement with telling details—as in the enthralling scene when the evil sorceret, Rothbart (Rex Harrington), dances out his triumph with a covey of black swans fluttering in his wake. Kudelka has also elicited inspired performances from many of his secondary soloists, including Martine Lamy. Her rollicking dancing wench sets Siegfried's hunting companions leaping about with the exuberance of young bucks at rutting time.

Rothbart, who has trapped the Swan Queen in a spell, is pivotal to this production. In many *Swan Lakes*, the sorceret hovers mainly in the background, clad in a rather ludicrous owl outfit. But Kudelka has created a more human Rothbart who dresses sveltely in headband and silky skins, like an Apache warrior who has discovered haute couture. And in Act 2, instead of keeping out of the way when Prince Siegfried (Aleksander Antonijevic) and the Swan Queen, Odette (Greta Hodgkinson), first meet, this Rothbart insinuates himself with snaky insistence between the would-be lovers.

It is at this point that the conflicts and themes of *Swan Lake* begin to grow muddy. Although Harrington gives a splendid performance—he is the most supple and charismatic of all the National's male dancers—his dominant Rothbart is one reason why the relationship between the Swan Queen and Siegfried never catches fire. And through the rest of the ballet, Rothbart is so much in their faces that relations among the three grow sexually ambiguous.

Perhaps this is what Kudelka intended, in which case an unusual spin is given to the ballet—which traditionally, after all, depends on a conventional love bond. Or perhaps Antonijevic and Hodgkinson simply do not have the erotic chemistry to strike a spark. Hodgkinson is superb at suggesting the Swan Queen's enervation under Rothbart's spell: she gives little nervous flicks of her head that are like signals from hell. And Antonijevic's proud, powerful arabesques and leaps are thrilling. But their ultimately unbelievable relationship leaves a hole at the centre of the tale.

Only in the final scene of this *Swan Lake* does their tragedy really come alive. In most productions, both lovers drown. But in a brilliant stroke, Kudelka has Odette survive her prince, and Hodgkinson's miming of her grief is powerfully affecting. The moment offers a glimpse of the heights the production might have risen to—and might reach yet as it matures. m



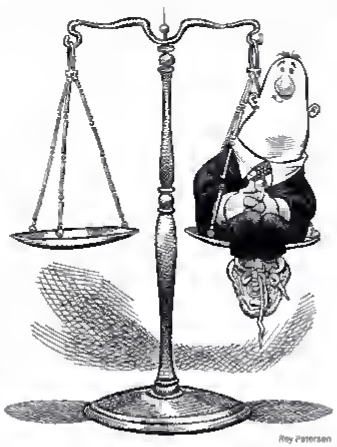
Allan Fotheringham

In praise of mediocrity

There are great historic moments, many of them overlooked and one such came in recent weeks when Roman L. Hruska died. Age 94. There wasn't enough attention paid.

Roman Hruska served for 22 years as a Conservative Republican senator from Nebraska and he was a powerful force in Washington. He was the ranking minority member of the Senate Judiciary Committee when he retired in 1976.

He was one of those great old Neanderthals out of the American Midwest who wanted to keep America safe for Neanderthals. He wanted criminal penalties for marijuana, fought against any legislation touching on gun control. He helped restore the death penalty for certain federal crimes. He fulminated, before Tipper Gore, about porn ruining teenagers. It was, however, in 1970 that he achieved a fame that has never been truly acknowledged. Richard Nixon had nominated, for a vacant Supreme Court seat, one Judge G. Harrold Carswell of Tallahassee, Fla.



Carswell, to put it mildly, was simply a hack, not too bright. The liberal Democrats on the judiciary committee protested loudly, stating that Carswell, a member of the Fifth Circuit Court of Appeals in Florida, was obviously too "mediocre." That is when our man Roman Hruska rose on his hind legs in the United States Senate in March of 1970 to make a memorable speech that explains to us a lot about the world today. In defence of Carswell, he orated: "Even if he were mediocre, there are a lot of mediocre judges and people and lawyers. They are entitled to a little representation, aren't they, and a little chance? We can't have all Brandeises, Frankfurters and Cardozos."

Now this is good stuff, entirely logical. There are a lot of dumb people out there—as all of us know—so why shouldn't they have their fair share of dumb people at the top? Seems reasonable in a democracy.

It explains, for example, Mike Harris, the big, amiable dumbo who is running for a second time to rule Ontario. This is the guy who failed to complete university, took a stab at being a ski instructor, then a golf pro, and eventually went to work for Daddy. And, first started on the public teat at age 24 as a teacher, he returned to it at 30 as a school trustee, then a member of the legislature and now premier—all the while railing about government waste.

The Hruska Law—just like Murphy's Law and the Peter Principle—surely explains Mel Lastman, the truly mediocre refugee from Toronto's municipal backwaters who now runs, to great embarrassment of anyone with the normality of manners, the biggest city in the land.

Senator Hruska, in his prescience, surely had in mind the present Prime Minister of Canada, who illustrates every day in every way the logic in the defence of one Carswell.

The only man in Canada who can't speak either of the two official languages. In Dalton Camp's celebrated description, he always looks like "the driver of the getaway car." Hruska had Chrétien in mind when he laid down his immutable credo.

Glen Clark? There's a chap who qualifies in the Hruska Hall of Fame. A union leader whose lack of arithmetic has led his NDP government into a quagmire where even the most optimistic give him four seats in the forthcoming election.

Joe Clark? Don't even mention the name. Sheila Copps? Flee from the thought of it.

The good senator with the unanswerable logic surely must look down on his fellow Republican Dan Quayle, who is running once again for the presidency and once said that the Holocaust was the biggest disgrace of this century and "I didn't live in this century."

And Steve Forbes, with a new hair make-over but nothing changed in his mind, actually thinking he is the teenage Ross Perot and can become president? And George W. Bush, who has never yet uttered a single policy statement, is the slam-dunk Republican nominee for president?

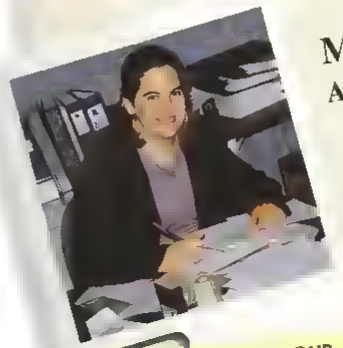
Al Gore has the oratorical whiz of Elmer Fudd. Hillary Clinton wants to run for a senatorial seat in New York where she has never lived but, at least, will get away from her husband who is so Monica-whipped that the mellifluous Tony Blair has now become the hawkish leader of NATO.

Roman Hruska, we salute you. An avatar of political thinking. We appreciate your wisdom. You were ahead of our time.

And Judge Carswell, by the way, did not get the nomination to the Supreme Court.

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